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Government and Donor Efforts for Improved Aid Effectiveness in the Education Sector – A Case Study of Mozambique

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Executive summary

External assistance to the education sector in Mozambique has since 1998 been provided in the context of a sector program, first the Education Sector Strategic Plan (1998-2005), focusing mainly on primary education, and then the current Strategic Plan for Education and Culture (2006-2011), with a more comprehensive coverage of the sector. At the level of policy and strategy issues, dialogue between the Ministry of Education and the donor agencies¹ has gradually matured towards a clearer shared understanding of the appropriate roles of both parties, resulting in increased Mozambican ownership of the sector program. A growing number of donor agencies have joined a system of pooled funds (FASE) that have been included in the Government of Mozambique budget. Parallel to FASE, bilateral project arrangements and NGO projects continue to operate, albeit on a diminishing scale. Projects have increasingly been identified and planned to fit into the framework of the sector plans, whereas FASE has been an instrument of flexible funding to various components of the plans. The great majority of the education sector donors are participating in sector coordination. Capacity has been a constant concern throughout the lifetime of the sector plans. Important achievements are evident in building capacity, but the broader context of public sector administration is not conducive to utilization of the capacities that are being developed.

1. Introduction

This paper covers the period 2000-7, with some reference to events in 1998-9, where relevant. The description and analysis is based on documentary materials produced in the process of preparing, monitoring and evaluating the two consecutive education sector plans of Mozambique. Additional insights have been gained from interviews conducted either in person or via email with six informants, representing the Ministry of Education of Mozambique, donor agencies and NGOs.

¹ In Mozambique, the term "external cooperating partners" has been adopted to replace "donor agencies"

In 2007, the share of external funding of the total budget of the education sector in Mozambique was 42 per cent. This figure includes not only project funding and the pooled funding to the education sector known as FASE, but also 20 % of the total of general budget support (GBS), counted by the EFA Fast-Track Initiative as support to the education sector. Of the total volume of external funding to the education sector, the largest share was contributed through projects (40 %), whereas GBS represented 34 % and FASE 26 per cent.

The following table shows the composition of funding of the education sector in 2007 (the figures given are on funding commitments) :

	USD (millions)	%
Government of Mozambique	285	58
Share of general budget support apportioned to the education sector	69	14
FASE	53	11
Project funding	81	17
Total	488	100

Source: EFA Fast-Track Initiative, Mozambique Country Information Form

2. Ownership

2.1. Mozambican ownership vs. influence of external partners in the process of preparing the education sector plan

The **Education Sector Strategic Plan (ESSP)** of Mozambique was designed as a result of a consensus, achieved between the Government of Mozambique (GOM) and the principal donor agencies providing support to the education sector, concerning adoption of the Sector-Wide Approach (SWAp) (Takala & Marope 2003). At the same time, SWAp was also introduced in the agriculture and health sectors. Phase I of the ESSP initially covered the period 1998-2003, but due to the longer than expected duration of preparing the next phase of the program, ESSP I was eventually extended until 2005. The three main objectives of the ESSP were: 1) to expand access to and equity in education; 2) to improve the quality and relevance of education; and 3) to strengthen institutional capacity in the education sector. In terms of coverage of the sector, the focus of the plan was on primary schooling, but activities in non-formal education for adults, secondary school construction and development of a strategy for vocational education were also included.

The evaluation of ESSP implementation in the period 1998-2003 (Mario & Takala 2003) concluded that the sector program had contributed to building assertiveness in MINED's thinking and position-taking in policy and strategic issues. MINED had also been successful in communicating the essential content of the national ESSP to provincial levels. This had allowed people at different levels of the system to use the same language to describe their activities, thus facilitating their appropriation of the Plan. At the same time, there were perceptions by many commentators that the ESSP was to some extent sidelined from the mainstream political process (GOM Economic and Social Plan, Poverty Reduction Action Plan) and hence appeared to many Mozambican stakeholders more as a large project than as an integral part of GOM plans. Throughout the 1990s, there had been an exceptional degree of continuity in political leadership and among senior level civil servants in MINED, which contributed to ownership of the ESSP in its early stage (Takala & Marope 2003). Subsequently, there have been more frequent changes of personnel which at times have appeared to weaken MINED's ownership of the program or parts of it, but only temporarily.

The emergence of the **EFA Fast-Track Initiative (FTI)** as a source of additional funding created initially a confusing situation, where the requirements of the FTI for analysis, planning and negotiation were superimposed on the already ongoing sector program process. Preparation of the country-level FTI proposal entailed use of a financial simulation model, developed by the World Bank and then tailored to country-specific conditions. This model linked the issues of sector financing to the macroeconomic framework and fiscal projections, and enabled analysis of the financial implications of different policy options in the primary education sub-sector. In Mozambique, the simulation exercise was beneficial for the further development of the ESSP itself. It also reportedly came to strengthen the position of MINED/MEC in later negotiations on additional funding with both the Ministry of Finance and the donor agencies.

Mozambique submitted its first FTI proposal in November 2002. The group of in-country co-operating partners signalled their general endorsement of the draft plan, but also provided feedback for its further development. Subsequent to positive assessment of a revised plan, the international FTI donors' meeting of March 2003 endorsed the Mozambican plan as qualifying for additional funding, but also communicated the message that additional work would need to be done on both policy and implementation issues. An important clarification from the international FTI process has been that no more separate "FTI-plans and reports" will be required, but these needs will be met by the established planning and monitoring cycles of the countries' education sector programs.

Preparation of the sector program document to succeed ESSP I through a process of numerous successive drafts, over a period of eventually more than three years, became a test of the degree of consensus between the perspectives and agendas of MINED, on the one hand, and the donor agencies, on the other. Some consultation with civil society also took place in this process, and the resulting document has been endorsed by the coalition of educational NGOs, Movement on Education for All.

The new sector plan is entitled **Strategic Plan for Education and Culture² (SPEC)** and covers the period 2006-2011. While retaining the three main objectives of ESSP I, the scope of the program was both broadened and deepened through incorporating the sub-sectoral strategies that had been prepared for adult literacy and non-formal education, secondary education, vocational education, teacher education and higher education. As compared with the ESSP, the structure of the SPEC document has become more a reflection of the internal administrative division of MEC, so that for each component of the plan it is clear which department or unit within MINED is responsible for implementation.

In primary education, the quantitative targets of the SPEC are to raise the primary level net enrollment ratio from the 81 % figure of 2005 to 97 % in 2010 and the rate of primary school completion (among those children that are admitted at Grade 1) from the 33 % figure of 2005 to 69 % in 2010. The SPEC document (p. 11) projects that external funding to support the education sector in Mozambique would more than double in the period 2006-2011. In 2007, the decision was made to grant a substantial amount of additional funds to Mozambique from the FTI Catalytic Fund, financed by the agencies already supporting SPEC. As a result, the total volume of external support is approaching half of the entire funding of the education sector

2.2. Mozambican ownership vs. influence of external partners in issues of substance

A prominent example of ownership resting firmly with MINED and the wider group of other Mozambican education professionals is the preparation of the new primary school curriculum, which was developed in a process of experimentation and consultation with stakeholder groups. The sustained advocacy of some donor agencies in favour of using indigenous languages in the early grades of primary school has arguably had an impact on the curriculum revision, through professional dialogue rather than political persuasion. The new curriculum has become effective through gradual introduction in 2004-6. Significant features of this revision are adoption of the use of Mozambican languages at lower grades and of a locally variable component in the curriculum, introduction of English as a subject at upper primary grades (6th and 7th), and transition into semi-automatic promotion.

The FTI process and the preparation of the SPEC document provided opportunities for the donor agencies to call attention to issues that they perceived as not having received sufficient attention within the ESSP. The agencies were able to put pressure on the process by making further funding commitments (including possible funding from the FTI Catalytic Fund) conditional on political approval by GOM of new strategic choices.

² The renaming of the sector plan reflects the change in the name of the Ministry of Education to also include "Culture", which also changed the respective acronym from MINED to MEC. During the period 2000-5 Mozambique also had a separate Ministry of Higher Education, Science and Technology

The assessments made by the FTI Secretariat of Mozambique's FTI proposals pointed out the high level of projected **classroom construction costs** and **teachers' salary costs** as risks to the sustainability of the policies on which the proposal was based. The levels of both of these costs were considerably above the benchmarks established in the FTI "indicative framework", and the same concerns had also been highlighted in the Education Sector Expenditure Review of 2002. With respect to the construction costs issue, an additional underlying motive on the donor side was to reduce the risk of large scale corruption linked to big construction contracts. In the FTI proposal GOM had itself already responded to the concern over construction costs by stating the intention of developing models for greater reliance on community involvement, and this principle reappears in the SPEC document. Some piloting of such models has been carried out, but this has not yet had a major impact on average school construction costs. Hence, this is an example of donor influence on policy, followed by only a modest degree of implementation.

The option of significantly revising the existing teacher recruitment and remuneration policies, in order to contain the cost increase resulting from expansion of the system, is politically quite contentious, as MINED/MEC is rather faced with pressure to improve teachers' remuneration. Moreover, decision-making on the salary scales of teachers is possible only through a process of consultation with the Ministry of Planning and Finance, the Ministry of State Administration and the Teachers' Union.

The issue of teachers' salaries was debated intensely as part of the preparation of the strategy for this sub-sector, both between MINED and the donor community and within MINED. The final outcome was the decision to shorten the duration of the main model of training primary school teachers from two years to one, to be strengthened by an expanded system of in-service training. As the level of salary is related to years of education and training, this decision has significant consequences for the salary level of future teachers. It allows increase in the output of teacher training institutions and in the recruitment of teachers, within a stabilized total wage bill for teachers. At the same time, it is noteworthy that some cost containment has already happened by default, through increased recruitment of untrained teachers into primary schools - with presumably detrimental effects on the quality of teaching. Introduction of the new model of training is expected to significantly reduce the number of untrained teachers in the future.

Another issue that has been pointed out repeatedly by the donor agencies has been **gender equality** in education. The assessment of the FTI proposal noted that in spite of progress made towards gender equity in grade 1-5 enrollment, disparities remained pronounced at the higher levels of schooling, and on the gender dimension, differences between provinces were also notable. In the SPEC document, gender issues are dealt with extensively. In policy discussions on gender, Mozambican views tend to emphasize the culture-related aspects of demand for education, which at best change over a long period of time, whereas on the donor side there are higher expectations regarding the potential effect of policy interventions.

The sensitive issues of the impact of **HIV/AIDS** on the education sector and of the potential role of schools in HIV/AIDS –prevention were initially more a concern voiced by the donor representatives than one expressed by MINED. However, the report of a joint mission on these issues brought them onto the agenda of the ESSP ARMs for the first time in 2001. Subsequently a Working Group on HIV/AIDS was established as part of the ESSP ad hoc organs and a strategy was prepared for MINED on work in this area, aligned with the comprehensive national anti-AIDS strategy. HIV/AIDS issues were incorporated in Mozambique’s FTI –proposal and in the SPEC document, and they have also been given attention in the new primary school curriculum and in the ongoing revision of the secondary level curriculum. Manuals have been produced and training has been organized to prepare teachers to deal with these issues, but it is notable that significant sums of funds that have been made available for these activities, have remained unspent. The linkages of HIV/AIDS with gender issues have also surfaced in public discussions and measures to address the problem of sexual abuse in schools are mentioned in the SPEC document. International NGOs have recently had an important role in both investigating this problem and initiating concrete actions to counteract it.

The sub-sector strategy for **vocational education** is a result of a long chain of analyses, proposals and consultation, begun already in the 1990s. In this process, the donor agencies working in or interested in entering this area have insisted on the need for a thorough reform towards demand-driven provision, with references to “international best practice”, whereas the position-taking of MINED/MEC has been balancing amidst the interests of different stakeholder groups in this contested area of education policy.

3. Alignment

3.1. Role of the ESSP/SPEC facilitation organs

When a set of ESSP-organs were established in 1998, the explicit intention was to avoid creating mechanisms parallel to the regular GOM structures, which were to bear the responsibility for the implementation. At the 1st ARM, in 1999, the issues of managing external support to implementation of the ESSP were prominent on the agenda, and an informal **Code of Conduct** was prepared to guide the behaviour of agencies involved in the ESSP. This document stated the intention of “acting to harmonize financial, procurement, monitoring and reporting procedures, starting from the government practices and taking into consideration the partners’ procedures, looking to improving them to the benefit of both parties”.

A mission report on SWAP from 2001 identified problems in the sequence of planning activities and in the linkage between the ESSP-organs and the GOM planning and decision-making cycle, and made recommendations for an integrated system. A **Statement of Intent** signed during the same year stipulated that all signatory agencies

are to follow the integrated annual cycle of programming, planning, budgeting and monitoring of the ESSP from 2002 onwards.

The above-mentioned principles notwithstanding, during the period of ESSP I the actual roles of the facilitation organs changed in some ways that were contrary to the original intention, towards “micromanagement” of the ESSP and bypassing the regular structures and procedures of MINED, e.g. in technical issues of preparing annual plans and budgets (Mario & Takala 2003). The commissioning of a Study on Building Partnerships (Saasa 2003) reflected the concern that the co-operating partners had become excessively involved in the decision-making of MINED and their wish to step back from this kind of involvement. This exercise led to a pro-alignment/harmonization statement from the participating group of 15 donor agencies, which represented slightly more than half of the agencies at that time providing support to the education sector in Mozambique. More recently, the roles of the external partners vis-à-vis MEC and the SPEC-organs have been clarified in 2006 in the form of a **Terms of Reference** for a better structured dialogue in the cycle of planning, budgeting and monitoring the sector plan. The impact of this document has been felt positively within MEC and among the donor agencies, both in terms of improved quality and coherence of the dialogue and of somewhat reduced transaction costs in the management of external support to the sector.

The major forum for dialogue between GOM and its external partners vis-à-vis the implementation of the ESSP/SPEC is the **Annual Review Meeting (ARM)**. In the ARM, progress of the previous year is scrutinized on the basis of agreed-upon indicators and other information gathered through joint missions. During the ESSP period, MINEDs plan of activities and budget proposal for the following year were also presented and analysed at the ARM, but under SPEC the timing of the ARM was changed to take place earlier in the year, following which the activity plan and budget are discussed at the meetings of a smaller body, the Joint Steering Committee of SPEC.

At the early ARMs it was not uncommon for donor representatives/consultants to voice opinions on prioritization within the ESSP and on measures needed “to get things moving”. The recommendations emanating from the ARMs have to some extent served as checklists for subsequent monitoring and further planning, but have typically not had a major bearing on actual implementation. As a result of the matured dialogue between MEC and donor agencies, as well as of decentralization of decision-making within the agencies, the participation in the ARMs from donor headquarters has been reduced in recent years and expectations concerning the role of the ARM have become more realistic. Parallel to this, the mandates of the thematic Working Groups have been redefined towards better alignment with the administrative division within MEC. As a consequence, these groups have become to be perceived more as professional contributors to the mainstream work of MEC than as separate bodies with agendas of their own.

3.2. Education Sector Support Fund

Already at the Joint Appraisal Meeting of the ESSP, in 1998, the need and will were expressed in general terms to move away from the project mode of management towards sectoral budget support and to proceed towards harmonizing agency procedures. At the same time, there were quite overoptimistic expectations with regard to the possible pace of such developments (Mario & Takala 2003).

As the progress towards the ideal of sectoral budget support proved to be much slower than initially envisaged both on the GOM and the donor side, creation of a pool fund as an interim arrangement was proposed by a group of donor agencies as the next step towards better alignment. This fund was designated the **Education Sector Support Fund (FASE)**. Important features of the FASE arrangement are that MINED/MEC is to indicate the target areas of FASE on an annual basis and earmarking by funding agency will not take place. The stated purpose of pooling part of the external funding to the education sector is to “finance priority areas within the ESSP” in a flexible manner. At the outset of the new system, this meant in concrete terms such components of the sector program which had not been attended to sufficiently by the GOM budget nor by projects.

The FASE system of financial management was devised to rely on the existing GOM procedures, strengthened with the use of separate FASE bank accounts at central and provincial levels and independent auditing. After a protracted period of preparatory work and related training for MINED financial management staff, FASE became operational during 2003, with initially five bilateral agencies channeling part of their support to the education sector via this system. In its first year, FASE represented only 5 % of the total external funding to the education sector (GBS excluded), and in the early stage of FASE operation, problems were encountered in both disbursement and reporting (Visser 2004). This gave reason for skeptical commentary on the prospects of SWAp in the Mozambican context.

The SPEC document (p. 5) stated in 2006 that “significant progress in shifting external support from project modalities to Ministry-led programs is expected” and that a growing number of agencies would agree to provide support either through FASE or general budget support (p. 61). From 2006 onwards, the FASE funds have been included in the GOM budget. In recent years, the number of agencies willing to channel most or at least a small portion of their funding through FASE has increased to nine, out of a total number of 22 multi- and bilateral agencies that support the education sector. Some of the contributors to FASE are known as pioneers of following the SWAp principles in practice, and others have gradually been encouraged by the example of the former group. Concurrently, the share of funding channeled through FASE of total external funding to the sector (excluding GBS) has grown significantly and reached 40 % in 2007, and the share of project-type funding has declined correspondingly. In addition, in 2007 the number of countries providing general budget support to GOM rose to 19. Donor agencies are also moving towards making indicative multi-year commitments to FASE (for the next three years), which is increasing the predictability of their funding.

There are different views and discussion on how the additional funding from the **FTI Catalytic Fund** should be channeled and managed: as a project, or through FASE as it exists, or as General Budget Support. As the trustee of the Catalytic Fund, the World Bank is expected to follow certain procedures before providing a 'non-objection' to the disbursement of funds, which has been presented as justification for a special project. This is contested by MEC and some of the bilateral agencies. If the FASE option is chosen, this could raise the share of FASE of total external funding to the education sector to over 65 % in 2008. Such a sharp increase in the volume of FASE funding would be both a statement of confidence in the capacity of GOM to absorb such funding and a way to put pressure on MEC to implement the sector program more effectively.

Areas designated for FASE support have to some extent varied from year to year, but overall have included construction and furnishing of primary schools, promotion of girls' education, inclusive education, adult literacy classes, provision of learning materials, in-service training of teachers and school directors, supervision of schools, and HIV/AIDS-related activities. The expectation is that such sub-components can be supported in a more rational manner through FASE than through discrete projects with their parallel management structures, thereby also mitigating the risk of unbalanced support to the different provinces. FASE funds are allocated to the provinces and districts on the basis of formulas that take into account e.g. the size and density of population and the number of schools in poor physical condition.

The Direct support to schools -program is a nationwide funding mechanism established during ESSP I, targeted at primary schools and managed as part of FASE. This funding is widely appreciated at school level, as it has enabled procurement of small quantities of learning materials and other basic requisites in a flexible manner according to needs. The SPEC document (p. 19) gives support to "strengthening" of this program "to stimulate innovatory approaches to improve the quality of education".

An important common denominator of the various activities funded from FASE is that these funds have not been used to finance salaries. The rationale behind this principle is to avoid dependence on unpredictable external funding in the payment of salaries. If this principle is adhered to also in the future, with a significantly increased volume of funds channelled through FASE, the shares of the salary and non-salary components of total education sector expenditure, which have been unbalanced in favour of salaries, could paradoxically become distorted in the other direction.

In the stages of designing and introduction of FASE, the agencies contributing to it constituted a group of their own, which created some feeling of an inner circle in their mutual relations and in contacts with MINED. However, with only few (but significant: Japan, China, Kuwait, the Islamic Development Bank) exceptions, the multi- and bilateral agencies that operate in the education sector in Mozambique are now in some measure involved in the process of monitoring the sector program, under the leadership of a rotating coordinator. The inclusive approach to donor coordination on the part of the key FASE donors, together with the capacity that MINED/MEC has demonstrated in managing its relationships with the donor agencies as a group, has produced a situation

where the previous division into FASE/non-FASE donors has lost its significance among the great majority of agencies that participate in education sector coordination.

3.3. Remaining role of bilateral projects

Alongside FASE, MINED/MEC has signalled its continued acceptance of bilateral project arrangements, provided that these “fall within the framework of the ESSP/SPEC”. As mentioned above in section 3.2., the share of project-type funding of total external funding to the education sector (GBS excluded) was in 2007 still as high as 60 per cent (and of the total amount of project funds, the combined contribution of the group of four “outsiders” - Japan, China, Kuwait and the Islamic Development Bank – was probably in the region of 20 per cent). The continuation of the project mode of funding and management is regarded as justified either by the nature of the projects (construction works) and/or by the regulations of individual agencies that do not allow them to deviate from the project mode of operation. But it is significant that the improved coordination among donor agencies has also led to better sharing of information on the preparation and implementation of bilateral projects. The funding from both FASE and from most of the projects is now recorded in the GOM budget, making the performance of the education sector in this regard better than that of any other sector (Ernst & Young 2007, 15).

Several of the education sector projects during the past decade have had a province-wide focus and these have collectively represented a substantial share of external funding to the sector. Some of the beneficiary provinces have been among the most disadvantaged in regional comparison, but it is impossible to judge, what the overall impact of these projects on regional disparities might have been. Projects have ensured continued availability of earmarked funding and provided separate management arrangements for some of the components of the ESSP/SPEC. Delays experienced in the flow of GOM budget funds for salaries and even more of funds for goods and services have sustained the perception in the Provincial and District Directorates of Education and at school level that bilaterally financed projects guarantee better access to material and financial resources needed for implementing the plans than would have been the case, if such projects did not exist (Mario & Takala 2003; Hauck & Souto 2007, 47-48). Such a situation of course counteracts the principles of the Sector-Wide Approach.

The agencies that support secondary and/or post-secondary education through the project mode include both FASE and non-FASE donors (use of FASE funds has so far been confined to primary and non-formal education). In the vocational education sub-sector there has been a gradual move from stand-alone projects towards a more integrated approach, where a number of agencies align their bilateral support with the framework defined by MEC’s strategy for this sub-sector (in the shaping of which the respective agencies have been influential). At the same time, a significant part of project support to secondary and vocational education remains unrecorded in MEC’s Annual Plan of Activities and budget. External support to higher education institutions remains even more uncoordinated, and MEC, as well as the donor agencies as a group, have rather

limited means to influence this situation. As part of the project-type support to higher education, a system of scholarships has been established in order to recruit more students from the provinces that are currently underrepresented in the tertiary level institutions.

3.4. Role of NGOs

The number of national and international NGOs involved in the education sector in Mozambique is estimated at around 100 (Hauck & Souto 2007, 77). The major international NGOs are Save the Children, ActionAid, Oxfam, the Aga Khan Foundation and UFF (in Mozambique known as ADPP). Due to their grassroots experience and sensibility to local needs, NGOs have played an important role complementary to the ESSP in expanding access to education in the rural areas through construction and rehabilitation of schools, mobilization of local communities to promote schooling of girls, and development of non-formal adult education and vocational training programs. Notably, one Mozambican NGO, Associacao Progresso, was awarded the UNESCO Literacy Prize in 2005 for its community-based literacy programme that emphasizes local culture and languages. NGOs have also been actively engaged in a variety of initiatives, e.g. in teacher training, designed to improve the quality of education. Working with the newly established school councils, in order to build their capacity to fulfil their mandate, has become another area of NGO achievements.

On the other hand, concerns have been raised over the accountability of NGOs and lack of coordination of their activities with each other and with the mainstream education sector administration (e.g. in the domain of HIV/AIDS –prevention). Increasingly, however, NGO projects have been identified and planned to fit into the SPEC framework. MEC has also begun to negotiate out-sourcing -type of contracts with reputable NGOs in areas such as school construction and teacher training, and coordination is being improved between the Provincial Directorates of Education and NGOs. NGOs with a good track record in educational provision and innovation are also credible partners in policy dialogue.

ADPP has since 1993 operated an extensive teacher training program in its own in colleges, located in all provinces. This activity has been very well coordinated with MINED/MEC. With the recent policy decision to shorten the duration of mainstream teacher training programs, the discrepancy between these and the UFF program is widening, and the relative cost of the latter is higher than before.

Networking among the educational NGOs is in Mozambique at a modest level, but an important development has been the formation of a national coalition, **Movimento de Educacao para Todos (Movement for EFA)**, which is active in policy advocacy and is exploring ways to dialogue with MEC (e.g. in the area of special needs education). At the early Annual Review Meetings of the ESSP, no NGOs were invited to participate. More recently, some NGOs have become part of the ARMs, but their role on this forum continues to be marginal. There is no representation of NGOs in the national coordination

of education sector donors, but in some of the provinces the principal NGOs do take part in the donor coordination meetings. On a different dimension, some donor agencies are discussing the possibility of jointly funded support to Mozambican NGOs, in order to strengthen the capacity of these to engage in policy dialogue and issues of political accountability vis-à-vis the implementation of the sector plan. From the perspective of MEC, it would also be desirable to have more input from the national NGOs into the policy discussions.

4. Harmonization

Section 3 of this paper has already dealt with harmonization of the procedures of donor agencies, insofar as such harmonization measures are a necessary accompaniment to the alignment of external support with GOM systems and procedures. This is complemented in the following by reference to statements and experiences with explicit focus on the harmonization issue, especially its most difficult part – the provision of Technical Assistance.

The Study on Building Partnerships (Saasa 2003) highlighted the perception among senior MINED officials that harmonization of the funding agencies' procedures had proceeded at an unduly slow pace. From the beginning of the ESSP, the practice of joint monitoring and evaluation missions was adopted in order to reduce transaction costs. An example quoted in this study (p. 29) was that in each month, MINED still had to deal with an average number of two donor missions. An important observation of the study was also that, as “non-SWAp-minded” agencies had continued to be able to operate in the education sector alongside the “SWAp-minded” agencies, there had been little pressure towards the former to join the effort of harmonizing procedures. Informed by these findings, a statement dated August 2003 expressed the education sector agencies' collective resolve to move forward in the harmonization of procedures. At this time the statement was backed with the high-level developments in this direction among the OECD-DAC member countries. In the subsequent period, the number of agency-specific missions in the education sector has diminished and, according to a document from 2006 (Terms of Reference 2006) “MEC reports a significant reduction in the amount of time spent in bilateral meetings with individual agencies”. Such progress notwithstanding, agency-specific missions remain a burden on senior MEC management.

The role of **Technical Assistance (TA)** in the ESSP/SPEC process has been variable. Notably, use of TA has a positive track record in the preparation of the national strategies for the various sub-sectors, which then became inputs into the SPEC document. This took place under control and guidance of MINED/ MEC, which under FASE has also had the option of direct procurement of TA personnel. Project-specific TA has been used in preparing provincial education strategic plans, as well as annual work plans and budgets. MINED/MEC leadership in assessing the need for TA has in the past often been replaced by decisions to recruit TA on the basis of the cooperating partners' (including NGOs)

proposals, but there are also many instances of MINED/ MEC refusing these. More recently, MEC leadership in this area is increasingly becoming the norm and the thematic SPEC Working Groups provide a forum for discussing the needs for and recruitment of TA. The issue of TA provision is also linked with the divergent positions that agencies have come to adopt regarding the proper level of their involvement: favouring a “hands-off” approach to development implies a limited role for agency-specific TA, whereas with an emphasis on promotion of change at the grassroots level such interventions tend to become prominent (Hauck & Souto 2007). The group of specialized UN –agencies and bilaterals whose mandate is limited to TA is by definition finding it difficult to move towards harmonized provision.

5. Capacity development

The adoption of SWAp (and of general budget support) entails growing and qualitatively new requirements for the capacity of the actors involved, as compared with the project mode. At the technical level, the complex processes of analysis, negotiation, planning and monitoring of sector programs set new requirements for the capacity of staff of both Ministries of Education and donor agencies, and for the consultants utilized to complement the staff of the former. The challenge of developing such capacity is made all the more cumbersome by the fact that the “rules of SWAp” have undergone fundamental modifications during the process of moving away from the project mode (examples in the case of the Mozambican ESSP are the FTI-process and the setting up of FASE). Apart from technical skills, the new capacity requirements include an enhanced level of social and cross-cultural skills, in order to promote transparency and build mutual trust (Takala & Marope 2003).

Capacity-building being one of the main objectives of the ESSP/SPEC, much attention has been devoted to the respective issues and there are abundant initiatives and plans in this area. Among the Working Groups established to facilitate ESSP/SPEC implementation one has dealt with issues of institutional development and another one with financial planning and procedures. In addition, other Working Groups have contributed to identification and guiding of capacity building activities in their respective thematic areas.

In 1999-2000, a concrete effort was already made to clarify the issues of financial management and prepare a capacity development program in this area. The reports of these missions were quite critical in their assessment of existing capacity of the Ministry of Planning and Finance and MINED to take over responsibilities in the management of external funds to the education sector. A comprehensive program was proposed for development of both capacity and procedures at the two Ministries as a precondition for transition into sectoral budget support. As mentioned above in section 3.2., the subsequent FASE arrangement was a reaction to the lack of progress in this area.

An Evaluation of the Institutional Development Program, operational at MINED since 1998, was carried out in 2003. The evaluation report commended particularly the achievements of the program at provincial and district levels. Findings showed that while such training as had been on offer was generally regarded positively, the criteria for the selection of beneficiaries were unclear, lack of continued training activities was regarded as a problem, and, as for the impact of training: “it was difficult to change behaviour when everything else in the organization is alike” (p. 14). A structural problem that is particularly acute in Mozambique, due to its exceptionally small volume of higher education, is the overall shortage of professionals with degrees/diplomas. This problem cannot be remedied with short-term training measures, but requires longer-term development of the higher education system.

The plans prepared by the FTI countries are expected to include proposals for the mechanism of channelling additional funds into the education sector, down to the school level. Doubts about implementation capacity were a major concern expressed by the in-country funding agencies in their assessment of the FTI proposal of Mozambique. It was noted that the past performance of the education sector to absorb external funds had been less than satisfactory and “weak institutional capacity is a major risk”, but that new initiatives towards decentralization and FASE could enhance the capacity to channel funds effectively to local levels. Particular reference was made to capacity constraints in the face of the massive task of constructing additional classrooms, where actual performance lagged far behind the targets.

The revised FTI proposal highlighted MINEDs own concerns over capacity constraints. These related to slow communications from the headquarters level to most of the provinces and districts, due to limited access of the latter to information technology, and to the lack of capacity to budget and manage funds at the provincial, district and school levels. The proposal envisaged decentralization of responsibilities in budget allocation and expenditure to District Directorates of Education and to schools. The FTI Secretariat’s 2nd assessment reminded of the very low rate of disbursement effected in the World Bank -funded project to support the ESSP and characterized the revised proposal as lacking a systematic strategy to capacity development, particularly at the decentralized levels.

After several years of experimentation and negotiation, a new system of financial management has been adopted across the entire public sector administration from 2006 onwards, and a new GOM system of procurement was recently introduced. These reforms have already proven their effectiveness over the previous situation in improving the flow of funds, but this is not to say that constraints have been overcome. While the volume of FASE funds has multiplied in a period of a few years, the insufficient capacity of the system is evident from the fact that in 2007 still no more than $\frac{3}{4}$ of the FASE funds included in the GOM budget were actually disbursed. A Public Expenditure Tracking – survey is being prepared with the aim to identify and address remaining blockages in the system.

The above-mentioned concerns related to school construction capacity have proven to be persistent ones. Achievements in this area have remained notably modest, which is both an effect and a cause of disbursement bottlenecks. The problems encountered are much more complex than becomes apparent in manipulating numbers within a simulation model, and their complexity is not necessarily grasped by education sector professionals. The proposed low-cost, community-based model of construction has not eliminated the allure of corruption, local contractors are not necessarily willing to work with communities, and the standard of materials to be used often becomes a source of disagreement between the view of communities and local authorities, on the one hand, and centrally defined criteria for what is accepted for funding, on the other.

Overall, during the lifetime of the ESSP/SPEC, capacity building activities at the central level have produced tangible results in planning and budgeting capacity and in the use of ICT. Compared with the pre-ESSP situation, MEC is now in a significantly better position to produce annual plans, properly costed and structured by program components, and reports in a consistent format. At provincial level, training received during ESSP/SPEC implementation (particularly in provinces catered for by bilateral projects) has developed capacity for the preparation of the provincial annual plans, including the costing of different activities and prioritisation of those activities in relation to available resources. Management training for school directors has been another significant contribution to the implementation of the ESSP/SPEC, but its impact has been curtailed by the absence of conditions in schools to put in practice the competencies acquired during the training. In a broader perspective, the impact of the capacity building that has taken place has been curtailed at all levels by the lack of incentives built into the existing structure of salary levels and career paths. This is by no means a problem particular to the education sector but manifests itself across the public sector administration. According to the 2007 Joint Review of general budget support, the implementation of the cross-cutting public sector reforms “planned a long time ago continues at a slow pace” (PAP 2007).

6. Conclusion

The most important contribution of external support to the education sector in Mozambique during the past decade is discernible at the level of policy and strategy. The role played by the donor agencies has not primarily been in exerting direct influence on the policies and strategies as defined by MINED/MEC, although there are examples of such influence, particularly through the FTI process, and many more examples of efforts to the same. Rather, the expectations and demands from the donors have obliged MINED/MEC to clarify and defend its own positions, taking into account domestic political and cultural realities. In the early stage of the ESSP, Mozambican ownership was manifest mainly at the level of senior managers who are the main interlocutors with the donor agencies. Over time, this core group has succeeded in transmitting the ownership also more broadly within central MINED/MEC and to the lower levels of the education sector administration, as well as in building a positive rapport with stakeholder

groups in civil society. Another discernible long-term trend is that MINED/MEC has become more conscious of its own capacity and more demanding in terms of the quality of expertise required from the donor agencies' side.

In hindsight, it is easy to conclude that in the initial “honeymoon stage” expectations of both the pro-SWAp donor agencies and MINED concerning progress towards the SWAp ideal in the implementation of the ESSP were grossly overoptimistic. This was a combined result of the more general optimism concerning the promise of SWAp, and an assessment that in Mozambique, the preconditions of successfully implementing SWAp were favourable. The slower than anticipated pace of change was attributed, in varying proportions by different stakeholders and observers, to lack of national capacity in the education sector and more broadly in public sector financial management, and to slow movement towards harmonization of the procedures of external funding agencies. Such a situation was detrimental to the commitment of the actors to the SWAp process and to partnership between them, but it appears that the recent major shift from projects to FASE funding and the improved disbursement and reporting capacity of FASE have taken the process through its most critical points.

The accounts of key actors in the ESSP/SPEC process focus on the building of trust between MEC and the donor agencies and a shared understanding of the roles of both parties in a structured and coordinated dialogue. The repeated formulations of principles on how to translate the SWAp into reality in the education sector have provided frameworks for the more informal dialogue – without progress at the latter level the former would have remained ineffectual. Frank discussion of tensions that have unavoidably arisen in the process has been an important ingredient in the building of trust. The inclusive approach to donor coordination on the part of the key FASE donors, together with the capacity that MINED/MEC has demonstrated in managing its relationships with the donor agencies as a group, has created a situation where the previous division into FASE/non-FASE donors has lost its significance among the great majority of agencies that participate in education sector coordination.

The flow of funds from the GOM budget and FASE has become more predictable, but as a complement to these flows, the stakeholders at the lower levels of the system have a case for continued reliance (and dependency) on the conventional project mode of funding from bilateral agencies or NGOs. While alignment and harmonization of external support has to some extent reduced the transaction costs of aid management, the multiple channels of external funding have kept these costs at a relatively high level for both GOM and the donor agencies. A likely scenario for the near future is continuation of the gradual replacement of project funding by funds channelled through FASE and/or general budget support (the Sector Alignment Study of 2007 found evidence of a predilection of donors to replace sector-specific support with GBS – Ernst & Young 2007, 26). Further progress in this direction is dependent on the demonstrated capacity of the Government of Mozambique systems to channel the non-project funds effectively to the intended uses. In this respect, the next challenge is effective utilization of the significant amount of additional funding made available from the FTI. A substantial increase of the volume of FASE funds would necessitate channelling part of these to also cover salaries.

Initiatives and plans for capacity development have been an important part of the ESSP /SPEC throughout its implementation and a variety of capacity building activities have been carried out. The impact of these activities is gradually becoming visible at all levels of the system. The lack of a systematic approach in capacity building has repeatedly been seen as a weakness, and the need for an environment conducive to utilization of capacity (overall reform of public sector administration, decentralization of responsibilities and improved flow of funds) has been pointed out. From another perspective, the question about the possible over-ambitiousness of the ESSP/SPEC - even assuming a favourable development of capacity in the education sector - is also noteworthy.

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