***Annual Report***



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And

Ministry for the Coordination of Environmental Affairs (MICOA)

POVERTY & ENVIRONMENT INITIATIVE

Mozambique

**Annual Report**

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# Acronyms

|  |  |
| --- | --- |
| AAP | Africa Adaptation Programme |
| AWP | Annual Work Plan |
| CCI | Cross Cutting Issues |
| CDS | Sustainable Development Centre |
| CONDES | National Sustainable Development Council |
| CPAP | Country Programme Action Plan (UNDP) |
| DNAIA | National Directorate for EIA |
| DNGA | National Directorate for Environmental Management |
| DPE | Directorate of Planning and Studies |
| DRG | Development Result Group |
| EUs | Environmental Units |
| GoM | Government of Mozambique |
| MF | Ministry of Finance |
| MICOA | Ministry for the Coordination of Environmental Affairs |
| MIREM | Ministry of Mineral Resources |
| MISAU | Ministry of Health |
| MMAS | Ministry of Women and Social Affairs |
| MoF | Ministry of Finance |
| MPD | Ministry of Planning and Development |
| NGO | Non-Governmental Organisation |
| PARP | Poverty reduction strategy paper (covering the period 2011-2014) (Action Plan for Poverty Reduction) |
| PARPA | Poverty reduction strategy paper (Action Plan for Absolute Poverty Reduction) |
| PEI | Poverty and Environment Initiative |
| PEER | Public Environmental Expenditure Review |
| PES | Economic and Social Plan |
| SEA | Strategic Environmental Assessment |
| SGP | Small Grants Programme |
| TOR | Terms of Reference |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environment Programme |
| Q1 / Q2 / Q3 / Q4 | The 1st, the 2nd, the 3rd, the 4th quarter (of the year) |

# Executive Summary

ThePEI Phase II implementation in Mozambique is approaching its closure, therefore the main focus in 2012 has been timely completion of the key outputs and the sustainability of the results achieved after the project closure.

A number of significant milestones have been achieved, including the study on Economic Assessment of Poverty and Environment Linkages, the Public Environmental Expenditure Review (PEER), dissemination of the State of the Environment Report as well as regular collaboration between MICOA and sectors through the sector Environment Units/focal points and planners (national and provincial levels) and through CONDES (provincial level)..

The PEER has been approved and appreciated by MICOA Consultative Council as a tool to help make the case for increased budget allocations. As a result of the PEER and the Economic Assessment study, MICOA, MPD and MoF are now better positioned to continue advocating for increased funding for environment priorities and there is an increased understanding of the contribution of the environment to the attainment of the national development and poverty reduction priorities. The latter achievement is attributed also to regular collaboration and capacity building of the sector planners and the Environment Units: a total of 17 different sectors are now regularly being engaged by MICOA in the annual planning cycles for the Social and Economic Plans. As a result, the preliminary analysis of PES 2013 demonstrates that at least 5 sectors have clearly included environmental components in their annual plans and8 sectors have included activities with approved budgets in one of the 7 environmental programmes to be implemented through the PES 2013 with the support from ESPS II (Danida), with more than 1 million USD at central level and more than 1,4 million USD at provincial level.

PEI has acted as a catalyst to attract additional funds to the P-E mainstreaming in Mozambique. UNDP has allocated a total of $1,253.000 from its TRAC funds for the 4 years of the GHD programme implementation with additional 1,800.000 to be mobilised. The programme has a strong poverty-environment and climate change mainstreaming component and it follows up on the PEI achievements (such as economic studies and sector engagement).

The main challenges in 2012 were associated with implementation delays. A number of activities were implemented outside the originally planned period, or are recommended to be postponed for the implementation in 2013. Regardless of mitigation efforts some of the expected outputs have been affected; for example, the training of the parliamentarians was not implemented as per the AWP. Completion of demonstration projects has been significantly delayed. Experiences gained have been documented and they will be a useful tool for MICOA to improve the way similar activities are being managed in future.

In view of the soon closure of the project, any delays could potentially affect the sustainability of the results achieved. In order to mitigate this potential threat the PEI Mozambique team has worked proactively with UNDP CO to ensure that the Green Human Development Programme which started in September 2012 to ensure the continuity of P-E mainstreaming.

# Situational Background

Mozambique is a country endowed with a rich basis of natural resources, including arable land, water with hydropower and irrigation potential, forests, fisheries, gas, and other subsoil assets, protected areas, biodiversity and the coastline for tourism development. However, still almost half of the population (45%) live below the national poverty line[[1]](#footnote-1); 34% of households are vulnerable to food insecurity and the rate of chronic malnutrition among children under 5 is still alarmingly high (44%)[[2]](#footnote-2).

Considering the high dependency of Mozambique’s population on the environment and natural resources for their nutrition, livelihood, health and resilience to environmental risks[[3]](#footnote-3) the way environmental assets, such as soils, forests, coastal areas and wetlands, are managed can significantly influence the well-being of the population and the country’s economic performance at large. If well managed, environmental assets may positively contribute to the achievement of all MDGs and reduce the exposure and increase the resilience to natural disasters as well as provide opportunities for climate change adaptation. Environment and climate change considerations therefore need to be further mainstreamed in national and local planning and budgeting processes to ensure a pro-poor sustainable development.

In recognition of the importance of the environment for the national development agenda, it has been set as one of the important cross cutting issues in Mozambique. This was first done in PARPA II (2006-2009) and now in PARP (2009-2012) with a clear indication of priority areas, sectoral activities and responsibilities. PARP is also committed to the MDGs which clearly reflect the relation between the environment and poverty (MDG 1 and MDG 7).

The overall approach of the PEI II is to strategically focus on supporting the mainstreaming of P-E issues linked to Mozambique’s key development priorities and sectors. It is fully recognized that PEI II cannot alone achieve comprehensive mainstreaming and the related capacity building in all sectors, provinces and districts in Mozambique. Hence, the PEI II aims to help the Government of Mozambique to mainstream P-E linkages and sustainability in key sectors and in a selected number of provinces and districts and thereby demonstrate to key development and sectoral decision-makers as well as donors that further investment in environmental sustainability will help Mozambique to attain priority development objectives. Thus, PEI II seeks to convince key decision makers that environmentally sustainable natural resource use should be a priority for each sector and that it should be fully embedded in sector project, programme and planning processes to ensure pro-poor development.

PEI II in Mozambique is implemented by UNDP Mozambique and executed by MICOA under the overall joint MICOA - MPD management.

# Evaluation of Progress During the Reporting Period

**Output 1: Improved capacity within existing Environmental Units: (Agriculture, Energy, Health, Mining, Public Works) and institutions to understand and analyze the links between poverty and environment and to integrate environment into policymaking, planning and budgets.**

Milestone 1: Completion of the Economic Study and 3 Case Studies

Progress:

PEI assisted MICOA in developing the study “The Economic assessment of Poverty and Environment linkages in Mozambique”, which has been concluded in March 2012 and submitted to the government for approval. The study provides compelling evidence on the contribution of sustainable management of natural resources to economic growth and poverty reduction in Mozambique (including the economic costs and benefits, in monetary and non-monetary terms, of sustainable and unsustainable natural resource use). The assessment elaborates further in three natural resource and development topics: Fisheries, Health and Forestry and Agriculture. A Fact Sheet summarizing the main findings and recommendations has been prepared by the PEI team as a tool for advocacy and disseminated to sector planners.

Follow-up actions

1. Ensure continued use of the results of the study by MICOA to make the case for increased funding to the environment sector and for PE issues.
2. MICOA should increase the access to and quality of information allowing to analyse, quantify, monetize and prioritize the most important linkages between the environment, national development and poverty reduction.

Impact:

As a result of completing the economic study and the 3 case studies, a solid basis has been created for continued awareness rising among policy and decision makers on the significant economic contribution of environment to economic growth and poverty reduction and that therefore environmentally sustainable natural resource use should be a priority for each sector and that it should be fully embedded in sector project, programme and planning. MICOA and MPD will be able to use the findings of these studies as tools to advocate for the need of improved financing to poverty-environment priorities and environmentally sustainable investments in Mozambique, as well as to optimise the use of economic instruments to meet the sustainable development goals of Mozambique through fiscal reforms (see also Output 4).

Milestone 2: Dissemination of the State of the Environment Report

Progress:

PEI has been supporting the preparation of the State of Environment Report throughout 2009-2011. The report was finalized by the end of 2011 and PEI supported the dissemination of this important document during the review period.

Follow-up actions

1. Further dissemination of the Report by MICOA
2. Preparations for the State of Environment Report 2 by MICOA

Impact:

This is the first State of Environment Report produced in Mozambique. PEI’s participation in the production of the report has ensured the inclusion of P-E related subsections in the report. This will improve the understanding of the P-E linkages by the users of the Report, including sectors, national, provincial and district development planners and hence contribute to better planning and budgeting from a P-E perspective. The printing and dissemination of the report, supported by the PEI, have ensured wider access and use of important information regarding P-E linkages in Mozambique.

Milestone 3: Training of parliamentarians about the importance of poverty and environment linkages

Progress:

The training was not implemented, mainly due to delays with the implementation the studies to be used as inputs for the training. It is expected that the training will be implemented by MICOA and MPD in 2013 as part of the GHD programme.

Follow-up actions:

In response to the delays faced by the PEI Phase II, the training of parliamentarians has been included as one of the activities under the UNDP GHD Programme, focusing on the Parliament's Commission on Social Affairs, Food Security and Environment. As such it is expected that the training will be initiated in 2013 by MICOA, focusing on the capacities of the MoPs to access, analyse and utilize technical information in their deliberations. The training will use a number of the outputs produced by PEI Phase II, including the results of the analytical studies, the PEER findings and the training materials.

Milestone 4: Cross Cutting Issues Mainstreaming Manual prepared

Progress:

Preparation has started and is in the final stages of producing the 1st draft.

Follow-up actions:

1. Finalisation of the 1st draft and presentation by MPD to the sectors for commenting;
2. Preparation of the final document;
3. Printing and dissemination of the manual.

Apart from these two milestones, achievement of the Output 1 was also facilitated by:

**Continued support to the revitalisation of the Environment Units and focal points leading to strengthened synergies and shared outcomes in the sector plans.** This was the result of continued assistance to the sectors during the preparation of the 2013 PES, in order to harmonise the environmental components of the sector annual plans. MICOA and PEI have organized a total of 4 meetings for the Environment Units with PEI’s support, with the participation of a total of 17 sectors. Additionally PEI assisted the MIREM in formulation of a common approach on the MAPE (MAPE - Small Scale Artisanal Mining) in a cross sectoral and integrated manner (41 technicians from different government and non-government organizations trained) and in initiating the process of developing a Guide on Good Practice of Artisanal and Small Scale Mining. PEI also supported the training to the national and provincial planners of MMAS on integrating equity and environment perspectives in the planning process (more than 50 planners trained).

As the result of increased knowledge and understanding of the contribution of sound environmental management to national development and poverty reduction, the government of Mozambique has successfully prepared and launched the Green Economy Road Map (prepared with the assistance of WWF and presented at the Rio+20 summit). While this is not a direct result of PEI implementation activities, PEI’s contribution has been important in terms of raising awareness at different levels about the importance of sustainable natural resource management. The Green Economy Road Map demonstrates that the earlier expectations from the implementation of the studies in the PEI framework in Mozambique have been correct: findings of studies supported by PEI are being used as tools to further promote improved financing to poverty-environment priorities and environmentally sustainable investments in Mozambique, as well as to optimise the use of economic instruments to meet the sustainable development goals of Mozambique through fiscal reforms.

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| *Overall progress achieved against identified targets and indicators for Output 1:* | | |
| *Indicator* | *Target* |  |
| Degree of use of mainstreaming instruments for cross cutting issues in general and for the environment in particular | Uniform approach for mainstreaming cross cutting issues in sector plans and budgets under strong leadership of MPD. The budget call issued by MPD for 2012 already contained the Mainstreaming Matrix. | ***Partial****:*  *While the MPD is able to use a uniform approach to mainstreaming cross cutting issues through application of the Mainstreaming Matrix, its full application is hampered due to the lack of clear mainstreaming guidelines to be issued by the MPD.* |
| Number of sector PES for 2013 at national level with the environmental component mainstreamed | 5 sector PES for 2013 with the environmental component mainstreamed | ***Fully:***  *Global PES 2013 of Public Works, Agriculture, Energy, Health, and Tourism have to some extent mainstreamed the environment component. Additionally the PES 2013 for ESPS II (at national and provincial levels) includes activities with budgets for environmental programmes to be implemented by a total of 8 sectors: Agriculture, Energy, Public Works, Fisheries, Mining, Health, Tourism, Transport and Natural Disasters.* |
| Number of published studies on p-e linkages and on contribution of environment to the Mozambican economy | Published and disseminated macro and 3 case studies on env. economics and contribution of the env. to Mozambican economy, evaluation of the lessons learned and future steps for mainstreaming pe in Mozambique | ***Partial:***  *Macro Study – presented to the Consultative Council.*  *3 case studies – drafted*  *Forward Looking Assessment with the lessons learned and future scenarios for mainstreaming p-e completed and discussed with stakeholders* |

**Output 2: Improved capacity within the above selected key sectors at district level to understand and analyse the links between poverty and environment and to integrate environment into development planning**

Milestone 1: One CONDES provincial meeting in Cabo DelGado

Progress:

During the review period PEI supported the National Council for Sustainable Development (CONDES) to promote a similar collaboration platform at provincial level in Cabo Delgado to bring together the government and the sectors, academia and non-governmental organisations in the process of planning and monitoring sustainable development priorities at provincial level.

Follow-up actions:

Further support to CONDES integrated in the GHD programme.

Impact:

Based on the positive experiences of CONDES provincial meetings in Gaza and Zambezia (held in 2011 with PEI support) and in Cabo Delgado (Q3 of 2012 with PEI support), CONDES has included specific activities in PES2013 to replicate this experience on a regular basis in all provinces using other sources of funding. **It can therefore clearly be seen that PEI support has lead to full institutionalization of an activity which will lead to better harmonized and synergized plans at provincial levels; as well as to better understanding of the key P-E linkages also by stakeholders at provincial level.**

Milestone 2: Consolidated methodology for the preparation of Environmental Profiles

Progress:

Preparation has been postponed and will be implemented in 2013 as part of the GHD programme.

Follow-up actions:

The alignment of the methodological guidelines on land use and management plans and environmental profiles included in the GHD programme.

Milestone 3: Delivery of the Module 4 for the training of the district planners by MPD

Progress:

Preparation for the training has started jointly with the UNDP GHD programme and will be implemented through the GHD programme.

Follow-up actions:

MICOA and MPD – to consolidate the training materials taking into account also the training materials prepared jointly with IUCN.

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| *Overall progress achieved against identified targets and indicators for Output 1:* | | |
| *Indicator* | *Target* | ***Fully:*** |
| Number of sector PES for 2013 in Cabo Delgado, Zambezia and Gaza provinces with the environmental component mainstreamed | 5 sector PES for 2013 in the 3 provinces (Cabo Delgado, Zambezia and Gaza) with the environmental component mainstreamed. | *PES 2013 for ESPS II includes activities also at provincial level with approved budgets in one of the 7 environmental programmes to be implemented by a total of 8 sectors in all provinces: Agriculture, Energy, Public Works, Fisheries, Mining, Health, Tourism, Transport and Natural Disasters.* |

**Output 3: Increased awareness and more effective participation of stakeholders in environment and development policymaking and planning processes at district, province and national level.**

Milestone 1: Completed implementation of 9 demonstration projects

Progress:

Out of the 9 demonstration projects initiated by PEI Phase II, 2 have been completed and the results demonstrating the benefits to local communities from sustainable management of the local resources. In order to document both the positive and negative lessons learned, the stakeholders have been consulted during an interactive workshop. The lessons learned and recommendations for the implementation of demonstration projects are being compiled and will be submitted to MICOA, MPD and other stakeholders. Inputs for production of good practices Fact Sheets are being prepared and will be used to produce a dissemination materials in 2013.

Follow-up actions:

1. Disburse the remining funds and undertake detailed monitoring visits to the projects not completed yet in order to find the best ways for their completion
2. Production of the dissemination materials through the GHD programme.
3. Further dissemination of the good practices and lessons learned by MICOA.

Impact:

The completed projects are demonstrating both immediate and longer terms positive impacts, including improved livelihoods of households, more sustainable management of local natural resources, improved coordination among the key stakeholders at local level, among others. However, further impact and replicability of the demonstration projects will largely depend on the follow-up dissemination activities to be undertaken by MICOA.

Milestone 2: Two provincial workshops to train school teachers on the use of the teachers manual

Progress:

The first workshop was carried out in 2011, no follow up workshop in 2012.

Follow-up actions:

1. DNPA – implementation of the 2nd workshop to take place during the 1st quarter of 2013.
2. Printing and dissemination of the teachers’ manual through the support from the GHD..

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| *Overall progress achieved against identified targets and indicators for Output 1:* | | |
| *Indicator* | *Target* |  |
| Number of successfully supported and implemented demonstration projects | 9 demonstration projects implemented showing good results. | ***Not achieved***  *Of the 9 demonstration projects, 2 have been completed showing some good results.* |

**Output 4: Improved national funding levels for investing in environmental sustainability**

Milestone 1: Public Environmental Expenditure Review report for 2005-2010 approved by MICOA Consultative Council

Progress:

The PEER report has been produced and presented to the MICOA Technical Council and subsequently to the Consultative Council who approved it in July 2012. The PEER establishes the levels, trends and distribution (geographic and thematic) of environmental expenditure by the Government and assesses the level of environmental expenditure required in relation to the country’s environmental priorities and poverty reduction objectives.

Follow-up actions:

1. Further use the PEER findings by MICOA, MPD and MoF to advocate for increased budget allocations for the environment.
2. Follow-up the work by MICOA with the MoF and the sectors to stimulate the correct coding of environmental activities by the sectors. Thus enabling improved quality of future PEERs. Additionally, MICOA and the MoF should analyse the options to capture environmental expenditures by municipalities and private sector entities.
3. In order to reduce dependence of external sources of funding, MICOA needs to undertake specific studies on potential sources of environmental revenues. Further, key stakeholders in the environmental sector need to be encouraged to collect due revenues.

Impact:

The Government of Mozambique welcomed the recently presented PEER for 2005-2010 commissioned by the Ministry of Coordination for Environmental Affairs (MICOA). The study contributes towards building the national capacities for regular PEERs and utilization of findings in the national planning, budgeting, execution and M&E cycles, hence it is expected to lead to increased funding to environmental objectives. MICOA is pleased with the report and has expressed that it will be very useful for the Ministry when advocating for increased budget allocations for the environment. The report findings and recommendations pave the way to increase the revenues stemming from environment and natural resources.

Milestone 2: Training of sector planners on PEER.

Progress:

A total of 29 planners from 9 sectors (public works, energy, agriculture, fisheries, mining, health, tourism, INGC, environment) have been trained on implementation of a PEER.

Follow-up actions:

The following actions have been highlighted during the PEER training:

1. Continued training and capacity building activities by MICOA with the focus on:
   1. For sectors – information about the environment sector programmes and the need for the sectors to include activities to be implemented in the environment sector programmes, as well as funding opportunities for implementation of such programmes.
   2. For sectors – correct functional and programmatic coding of environmental activities implemented by sectors.
   3. For sectors and MICOA directorates national and provincial level – further dissemination of the results of the PEER and training and additional technical trainings on implementation of PEER.

Impact:

The training supported by PEI has:

1. Created significant interest among the sectors in PEER and understanding about its importance
2. Demonstrated the usefulness of a PEER for the sectors in order to monitor and evaluate their environmental performance and to assist them in planning
3. Demonstrated the usefulness of any type of PER in planning, monitoring and evaluation

According to the results of the training evaluation, the participants are highly satisfied with the outcomes of the training as they expressed that their capacity to conduct public expenditure reviews has been strengthened and that they look forward to participate in similar trainings in the future.

Milestone 3: EI study completed

Progress:

The preparation of the study has started and it is expected to be finalised during the Q1 of 2013.

Follow-up actions:

1. As part of the study implementation training to sector planners and focal points will be provided during the Q1 of the 2013;
2. The study will contain specific recommendations to be followed up by MICOA, MPD, MoF and other stakeholders.

Impact:

The study has been designed such that the implementation of the study recommendations assists MICOA, MPD and the MoF to optimise the use of economic instruments to meet the sustainable development goals of Mozambique through fiscal reforms. The implementation of the study recommendations is expected to increase the national sources of revenues and thus reduce dependence of external sources of funding, and to reduce expenditures in other sectors that occur currently due to environmental degradation.

Apart from these milestones listed in the AWP 2012, one additional achievement should be highlighted:

**Signing and start of the implementation of the UNDP Green Human Development Programme by the Government of Mozambique**

This is the result of work started in 2011 when the PEI Mozambique team proactively collaborated with the UNDP CO staff in the process of the UNDAF preparation and projectisation. In order to contribute to the attainment of the UNDAF outcomes, PEI staff contributed significantly to the development of a 4 year UNDP GHD programme which aims to support government institutions, civil society organizations, the private sector and different target groups to manage more efficiently its natural resources and to develop national capacities for GHD. As such it follows up on the initiatives taken under PEI phase II. This includes further engaging different stakeholders and strengthening the capacities of environmental units in P-E mainstreaming in their plans as well as developing P-E indicators for inclusion in monitoring and evaluation frameworks of national development policies. The project document has been signed in September 2012, the implementation has already started with the total budget for 2012 being 238 thousand USD (total Programme budget 3.053 million USD).

Impact:

The approval of the UNDP GHD programme is an example of the catalytic role that PEI has played in Mozambique to attract additional funds for P-E mainstreaming. UNDP has allocated a total of $1,253.000 from its TRAC funds for the 4 years of the GHD programme implementation with additional 1,800.000 to be mobilised. In addition to the TRAC funds the One UN through the Development Result Group (DRG) has allocated funds for the UNDAF Outcome 3, of which more than $150,000 are allocated for the GHD implementation in 2013. UNEP has allocated $300,000 for the GHD implementation in 2013. The approval of the UNDP GHD programme is a very significant milestone to ensure the continuity and sustainability of P-E mainstreaming in Mozambique, since it has a strong poverty-environment and climate change mainstreaming component and it follows up on the PEI achievements (such as economic studies and sector engagement). As confirmed by the Assessment of PEI work in Mozambique, and follow-up discussions with the stakeholders, carried out during the review period, there is a very strong interest to continue the collaboration with PEI and there is a continued need to strengthen P-E mainstreaming in Mozambique. With the soon closure of the Phase II, the GHD programme allows the Government of Mozambique to continue receiving much welcomed support in this area.

In addition, a number of PEI activities carried out with the sectors, **have resulted in increased funding for implementation of environmental objectives**. PEI has assisted various sectors particularly Ministry of Mining (MIREM), Ministry of Women and Social Affairs (MMAS), Ministry of Energy, Ministry of Public Works, Ministry of Health, Ministry of Tourism, Ministry of Fisheries to prepare proposals for Social and Economic Plans (PES) 2013 in the areas related to poverty and environment. As a result various ministries have secured additional funds for these activities from the Environment Support programme (ESPS II) with Danida (more than 1 million USD at central level and more than 1,4 million USD at provincial level). While this success cannot purely be attributed to PEI activities, but more so to ESPS II staff and to the staff in the ministries, PEI’s contribution has been important, particularly in case of the MIREM and MMAS. As such this is another example of the catalytic role that PEI has played in Mozambique to attract additional funds for P-E mainstreaming.

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| Overall progress achieved against identified targets and indicators for Output 1: | | |
| Indicator | Target |  |
| Number of people trained on public expenditure review and on economic instruments | 50 people trained on public expenditure review and on economic instruments. | ***PEER - Fully:***  29 people trained on PEER |
| ***Economic Instruments***  ***Not achieved:***  Training on Economic Instruments was not feasible during the review period due to delays with the study implementation |
| Availability of the information about public environmental expenditure and about economic instruments | 2 reports about the PEER and the Economic Instruments published and disseminated | ***PEER - Fully:***  PEER report disseminated through MICOA and to the sectors |
| ***Economic Instruments***  ***Not achieved:***  The dissemination of the report was not feasible during the review period due to delays with the study implementation |

# Gender Mainstreaming

PEI Mozambique has adopted a two-layered gender mainstreaming approach, with one layer focusing on ensuring well balanced gender representation in all the most significant activities supported by PEI and the other layer focusing on technical issues and tools for recognizing, analysing and mainstreaming the links between gender and environment.

**Well balanced gender representation**

In an effort to improve our gender focus and analysis, the PEI Mozambique team makes a conscious effort to track down gender-disaggregated data for different capacity development activities and the monitoring reflects balanced gender representation.

A significant focus of the work during the review period has been targeted towards the revitalization of the sector Environment Units. The Environment Units serve as key entry points to the sectors by MICOA and vice-versa. As such, staff working at the Environment Units play significant role in ensuring that P-E linkages are well mainstreamed in their sector plans. During the review period PEI has assisted MICOA’s work with a total of 17 Environment Units/focal points. PEI implementation team is making a conscious effort to ensure well balanced gender representation also in the Environmental Units.

**Technical issues and tools for recognizing, analysing and mainstreaming the links between gender and environment**

Technical content wise, PEI Mozambique is mainstreaming gender through 3 distinctive elements:

1. Overall support to MPD for mainstreaming cross cutting issues including gender. The main achievement during the review period has been initiating the drafting of the Mainstreaming Manual by the MPD jointly with 7 cross cutting issues sectors including the Ministry of Women and Social Affairs (to be completed in 2013).
2. Support to the Ministry of Women and Social Affairs for better mainstreaming of linkages between environment and gender. The main achievement during the review period has been training of more than 40 national and provincial level planners of the MMAS on mainstreaming environment-gender linkages.
3. Integrate gender aspects in technical products whenever relevant. For example, during the review period PEI supported the Ministry of Mining and Mineral Resources to train small scale artisanal miners on environmental aspects and P-E linkages in small scale mining. The seminar programme included exchange of experiences and good practices on women’s empowerment and gender issues in small scale mining.

# Risk Management

During the review period the main project risk has been underperformance, mostly due to internal factors including delays regarding transfer of funds. Late disbursements and other problems related to the availability of funds have caused implementation delays in relation to the 2012 annual workplan. Additional delays with the implementation of the study on Economic Instruments have been caused due to limited availability of the originally selected national consultant and the delays related to the recruitment process for a substitution. Delays of some activities, like consolidation and of alignment of the methodological guidelines on land use and management plans and environmental profiles has been delayed due to internal re-prioritisation (by DNGA in this case).

As a result a number of activities were implemented outside the originally planned period (as compared to the AWP 2012) or postponed to be finalised in 2013. For example, development of the Mainstreaming Manual by the MPD, monitoring process of the demonstration projects, the launch of the environmental profile of Pemba and the PEER training. This created further difficulties to ensure full engagement of the PEI team and consultants in the execution of these activities.

Taking into account the soon closure of the PEI Phase II in Mozambique, the PEI team recognized in time that any delays may affect the sustainability of the preliminary results achieved in the project. In response to this risk, the PEI Mozambique team has worked proactively with UNDP CO to ensure that the GHD Programme, whose implementation has started in 2012, can ensure the continuity of the P-E mainstreaming.

# Partnerships

PEI II in Mozambique is implemented by UNDP Mozambique and executed by MICOA (the Implementing Partner) under the joint overall MICOA - MPD management. MPD has taken the lead for some activities directly linked to responsibilities of the MPD; during the 2012, initiating the development of the Mainstreaming Manual.

Selected components have been executed directly under the UNDP National Execution procedures, for example, the Public Environmental Expenditure Review and the study on Economic Instruments. UNEP has assisted through inputs of the PEI Africa staff and through recruitment of an international expert to support the work of the PEI implementation team in Mozambique.

PEI has been working in partnership with other UNDP programmes in Mozambique. The closest links have been established with the Africa Adaptation Programme, UN Joint Programme and the UNDP/GEF Small Grants Programme. The value added of such a partnership has been demonstrated through the development of the GHD Programme which incorporates the elements of P-E mainstreaming as well as climate change and disaster risk reduction. PEI has been working in partnership with UNDP/GEF Small Grants Programme throughout the PEI Mozambique Phase II on the implementation of the demonstration projects. During the review period one joint session on lessons learned through the implementation of the demonstration projects was carried out with the SGP to be followed up by preparation and dissemination of a joint publication on good practices in 2013.

PEI has supported the collaboration between MICOA and other UNEP programmes. During 2011 PEI facilitated the creation of a Small Scale Funding Agreement (SSFA) between UNEP and MICOA to support the National Coastal Strategic Environmental Assessment. As a result, during the review period MICOA was able to carry out the training on Cost-Benefit analysis and will revise the SEA legislation within the framework of this SSFA that PEI facilitated.

The PEI has assisted in forming stronger partnerships with other government institutions. As the result of the partnerships with other sectors, MICOA has been able to regularly interact with 17 other sectors to ensure better alignment of the sector plans with environmental priorities and incorporation of environmental activities to be implemented by sectors in PES 2013 of the ESPS II.

# Challenges, Responses and Lessons Learned

As highlighted in the section on Risk Management, the project has been under risk of underperformance, due to various delays. As a mitigation strategy the workload had to be re-distributed among the PEI team members and the national consultants. This, in turn, has created a challenge due to more hectic and time consuming internal management resulting from the frequent re-scheduling of activities and increased the expected workload of PEI team.

Regardless of these mitigation efforts, some of the expected project’s outputs have unfortunately been affected. For example, the training of the parliamentarians was not implemented as per the AWP because of the delays with the implementation of the studies did not allow preparing the training programme in a timely manner. Similarly, the delays with transfers of funds delayed the implementation of demonstration projects and did not allow the dissemination of good practises and timely exchange of experiences among the project implementers. In response, the original workplan for 2012 had to be revised, and finalisation of some of the project activities will continue in 2013.

On the positive note it should be highlighted that project staffing issues which re-occurred regularly before 2012, have been largely resolved and in 2012 PEI is able to work with full inputs from the UNDP Environment Analyst / PEI National Coordinator, and Financial Assistant. The International Technical Advisor (ITA) was not recruited, instead part time inputs from UNDP/UNEP PEI-Africa team and from backstopping services of a consultant have been provided for the country programme in Mozambique as a replacement of the ITA. While overall this has provided much appreciated critical inputs for the work of PEI Mozambique, frequent changes in PEI Africa focal points for Mozambique have to some extent created additional challenges during the review period. For example, the training of MMAS planned with direct participation and facilitation by the PEI focal point had to be redesigned due to changes in the PEI Africa staff. Additionally, the regular changes witnessed so far (with 4 PEI Africa Focal Points since the start of the PEI Phase II) may affect the high degree of trust currently enjoyed by PEI in Mozambican national institutions.

On broader lines, the main challenges for future pe mainstreaming in Mozambique cluster around two main areas: how to better influence policy and budgetary processes; and administrative / logistics issues:

Implementation and enforcement

* + Influencing policies and plans through cross sector coordination – ability of CCI groups to influence the work of other Working Groups;
  + Influencing budgets in the light of competing priorities; short term gains versus long term benefits
  + Best ways to engage with the private sector and civil society
  + Best ways to demonstrate the benefits or pe mainstreaming “on the ground”

Administration / logistics:

* + Need to strengthen coordination among the key players (MPD, MICOA, UNDP, sectors) - to improve the disbursement of funds,
  + Size of the country and implications this has on communication, transport and time requirements for monitoring, training, consultations, etc

Regardless these challenges, the poverty – environment mainstreaming and PEI approach to it continues to be relevant in Mozambique and the key partners have confirmed their interest to continue the collaboration with the PEI in Mozambique also after the closure of the Phase II and to find the best ways to overcome these challenges.

# Conclusions and Ways Forward

PEI has succeeded in supporting MICOA with a number of analytical and financial studies: the Public Environmental Expenditure Review, the Study of Economic Instruments and the Environmental Economic Assessment. These studies form a solid basis for continued awareness rising among policy and decision makers on the significant economic contribution of environment for economic growth and poverty reduction and on the need to prioritise and embed environmentally sustainable natural resource use in sector project, programme and planning. MICOA and MPD will be able to use the findings of these studies as tools to continue advocating and improving the financing for poverty-environment priorities and environmentally sustainable investments. This will include, among others training of the members of Parliament on P-E linkages and climate change issues to ensure that MoPs are better able to access, analyse and utilize technical information in their deliberations The studies will also help MICOA, MPD and MoF to optimise the use of economic instruments to meet the sustainable development goals of Mozambique through fiscal reforms.

PEI has acted as a catalyst to attract additional funds to the P-E mainstreaming in Mozambique. UNDP has allocated a total of $1,253.000 from its TRAC funds for the 4 years of the GHD programme implementation with additional 1,800.000 to be mobilised; One UN through the Development Result Group (DRG) has allocated funds for the UNDAF Outcome 3, of which more than $150,000 are allocated for the GHD implementation in 2013. UNEP has allocated $300,000 for the GHD implementation in 2013. The programme has a strong poverty-environment and climate change mainstreaming component and it follows up on the PEI achievements (such as economic studies and sector engagement). PEI has worked proactively with a number of sectors, and one of the outcomes has securing additional funds for environmental activities from the Environment Support programme (ESPS II) by the sectors (more than 1 million USD at central level and more than 1,4 million USD at provincial level). While the latter success cannot purely be attributed to PEI activities, but more so to ESPS II staff and to the staff in the ministries, PEI’s contribution has been important, particularly in case of the MIREM and MMAS.

PEI has strengthened synergies and shared outcomes in the sector plans due to improved mainstreaming of P-E linkages in sector plans. This has occurred mainly due to support to harmonising the environmental components of the sector plans for 2013 and due to continued support to the revitalisation of the Environment Units and focal points.

During the review period the key stakeholders, including the MICOA, the Ministry of Planning and Development, the Ministry of Mining and the Irish Embassy discussed the future of the Poverty and Environment Initiative in Mozambique, based on the draft Assessment Report prepared by two independent consultants. The discussions confirmed the interest among the key stakeholders to continue the collaboration with the PEI in Mozambique also after the closure of the Phase II. Exactly which shape the future work of PEI in Mozambique will take is still being discussed among the partners.

The work of PEI Phase II in Mozambique has clearly demonstrated the added value of establishing and maintaining close collaboration with the key partners. One of the biggest success stories of PEI’s work in Mozambique has been the Mainstreaming Matrix, which is now routinely being used as a tool for mainstreaming cross cutting issues. However, the success of the Mainstreaming Matrix was only possible because of the deep engagement with the MPD. Similarly, a related success has been the fact that the Mainstreaming Matrix has been built in the Danida Environment Support Programme II – the programme, based in MICOA, has earmarked significant funds for sectors, provided that the activities are related to the priorities in the Mainstreaming Matrix and are proposed with indicators and targets.

As such it is important to continue working with the MPD in the future in providing uniformed guidance to sectors on mainstreaming cross cutting issues through for example, dissemination of the Mainstreaming Manual and further capacity building.

Similarly, PEI has demonstrated the importance of maintaining close working relationships with the implementing sectors. MICOA being a coordinating body cannot and should not focus on implementing activities. PEI has been able to support MICOA with establishing more routine procedures for assisting the sectors with their planning and reporting, through engagement of the existing Environmental Units and supporting the establishment of new ones. The future work of P-E mainstreaming will crucially depend on the capacities of the Environment Units and therefore there is a need to further support the work of the Environment Units/focal points. One distinct area of support is improving the capacity of key sectors to recognize and integrate P-E linkages as a cross-cutting issue.

MICOA will continue working with the partners, including the MPD, INE and key sectors on further development of P-E indicators and to create a statistical framework in the national accounting system for integrating environmental information among the main economic indicators of Mozambique.

Delivery of some of the milestones was delayed during this reporting period, which to some extent may threaten the sustainability of the achievements made so far. Recognizing this potential threat, the PEI Mozambique team has been working proactively with the UNDP CO to ensure that the GHD Programme, whose implementation has started in 2012 can ensure the continuity of the P-E mainstreaming. As such it is important that the proactive collaboration between the UNDP CO in Mozambique and the UNDP-UNEP PEI continues also after the PEI Phase II completion and the key stakeholders, including MICOA, MPD and MoF can continue to collaborate with the UNDP and with UNEP in the areas highlighted above.

**Prior issues /challengers expected to be addressed in the coming year**

The Mozambique PEI Phase II is proposed to be closed in June 2013 after full completion of all initiated activities. As such the focus will be on timely disbursements and transfer of funds to allow the finalisation of the activities, as well as ensuring the continuity of the P-E mainstreaming through the GHD programme.

# Annexes

* + - 1. Financial Report

1. Republic of Mozambique. 2008. Report on the Millenium Development Goals – with reference to the target in PARPA II [↑](#footnote-ref-1)
2. MPD. 2009. Relatório de Avaliação do Impacto do PARPA II. Draft. [↑](#footnote-ref-2)
3. UNEP, IISD. 2005. Connecting Poverty & Ecosystem Services. A series of seven countries scoping studies. Focus on Mozambique [↑](#footnote-ref-3)