



Cover Page



Country: Mozambique

Programme Title:

Food Security and Nutrition Programme (FSNP) in six Districts of Gaza Province 2014-2018

UNCDF Programme Outcomes:

Outcome 1: Local Public Expenditure Management in 6 Districts in Northern Gaza Province contributes to increased sustainable food and nutritional security.

Outcome 2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local Public Expenditure Management.

Programme Duration: 5 years, 2014-2018

Start/end dates:

January 2014 – December 2018

Fund Management Option(s): Parallel.

Managing or Administrative Agent: N/A.
(if/as applicable)

Total estimated budget: 9,162,304 USD

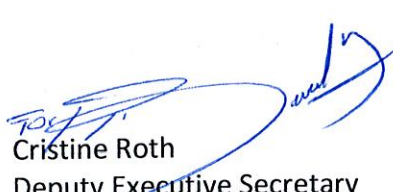
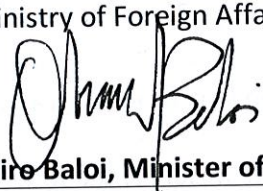
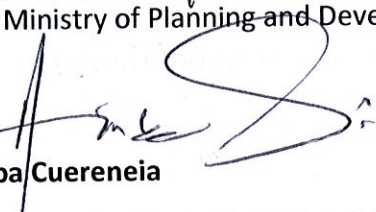
Out of which:

- | | |
|------------------------------------|---------------|
| 1. Funded Budget*: | 5,497,382 USD |
| 2. UNCDF Core and Non-Core budget: | 3,664,921 USD |

* Total estimated budget includes both programme costs and indirect support costs

*UNORE forex exchange, May 6th, 2013.

Names and signatures of (sub) national counterparts and participating UN organizations

UN organization(s)	Implementing Partner(s)
Replace with:	Approved by Ministry of Foreign Affairs and Cooperation
 Cristine Roth Deputy Executive Secretary UNCDF	 Signature H.E. Mr. Oldemiro Baloi, Minister of Foreign Affairs and Cooperation.
	Approved by Ministry of Planning and Development
	 Signature H.E. Mr. Aiuba Cuereneia

According to the law of 19 January 2010, the 3rd BFFS contribute to a maximum of 60% with UNCDF programmes. UNCDF contribution of 40% can be financed in three ways:

- From core resources UNCDF.
- From non-core resources contributing directly to the financing of the programme.
- On parallel non-core resources contributing to programme outcomes.

Cover Page

Country: Mozambique

Programme Title:

Food Security and Nutrition Programme (FSNP) in six Districts of Gaza Province 2014-2018

UNCDF Programme Outcomes:

Outcome 1: Local Public Expenditure Management in 6 Districts in Northern Gaza Province contributes to increased sustainable food and nutritional security.

Outcome 2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local Public Expenditure Management.

Joint Partnership Framework Outcomes:

Enhanced governance for sustainable food security and nutrition through local governance

Improved rural livelihoods of vulnerable households

Improved effective food security coordination

Programme Duration: 5 years, 2014-2018

Start/end dates:
Oct 2013 – Sep 2018

Fund Management Option(s): Parallel.

Managing or Administrative Agent: N/A.
(if/as applicable)

Total estimated budget: 9,162,304 USD

Out of which:

1. Funded Budget*: 5,497,382 USD

2. UNCDF Core and
Non-Core budget: 3,664,921 USD

* Total estimated budget includes both programme costs and indirect support costs

*UNORE forex exchange, May 6th, 2013.

Names and signatures of (sub) national counterparts and participating UN organizations

UN organization(s)	Implementing Partner(s)
Replace with:	Approved by Ministry of Foreign Affairs and Cooperation
Signature UNCDF	Signature H.E. Mr. Oldemiro Baloi, Minister of Foreign Affairs and Cooperation.
	Approved by Ministry of Planning and Development
	Signature H.E. Mr. Aiuba Cuereneia

Acronyms

APFNS	Action Plan for Food and Nutritional Security
AWP	Annual Work Plan
BDS	Business Development Services
BFFS	Belgian Fund for Food Security
BTC	Belgian Technical Cooperation
CAADP	Comprehensive African Agriculture Development Programme
CO	Country Office
CT	Cash Transfers
DP	Development Partners
DDF	District Development Funds
FAO	Food and Agriculture Organization
FFS	Farmer Field School
FNS	Food and Nutrition Security
FO	Farmer Organization
FSNP	Food Security and Nutrition Programme
FSSP	Food Security and Social Protection.
GELD	Gender Equitable Local Development
GOM	Government of Mozambique
G2P	Government to Persons Payments
ICT	Information, Communication and Technology
KD	Knowledge Development
KM	Knowledge Management

LDF	Local Development Fund
LDFP	Local Development Finance Practice
LOLE	Law for Local State Bodies
MAE	Ministry of State Administration
MCPM	Minimum Conditions and Performance Monitoring
MDG	Millennium Development Goals
MINAG	Ministry of Agriculture
MPD	Ministry of Planning and Development
MOU	Memorandum of Understanding
NGO	Non-Government Organization.
NIM	National Implementation Modality
NPDPF	National Programme Decentralized Planning and Finance
PARP	Poverty Reduction Action Plan
PEM	Public Expenditure Management
SC	Steering Committee
SETSAN	Technical Secretariat in Food Security
SFNS	Sustainable Food and Nutrition Security
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNWOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
WFP	World Food Programme
5YGP	Five Year Government Plan

Contents

Cover Page	1
Acronyms	2
Contents	4
1. Executive Summary	5
2. Situation Analysis	6
3. Government policies and the FSN Programme	9
4. FSN Programme Coherence with Provincial and District Systems and Processes	12
5. UNCDF contribution in Mozambique	14
6. Project Rationale and Implementation Strategy	14
7. Policy coordination	18
8. Partnership Strategy	19
9. Results and Resources Framework	21
10. Management and Coordination Arrangements	33
11. Programme Board: roles and responsibilities	36
12. Fund Management Arrangements	40
13. Monitoring, Evaluation and Reporting	41

1. Executive Summary

The UN Capital Development Fund (UNCDF) will partner with the Belgian Fund for Food Security (BFFS) in the implementation of a Food Security and Nutrition Programme in Mozambique in partnership with the Food and Agriculture Organization (FAO), the World Food Program (WFP), two Belgian NGO's (FOS and DISOP), and in close collaboration with the Belgian Technical Cooperation (BTC). The programme takes as its starting point the existing policy and programmatic context provided by the second National Food and Nutritional Security Strategy (ESAN-II), which is implemented through the Action Plan for Food and Nutritional Security 2008-2015 (APFNS). It also looks to the broader national policy framework for decentralisation and local governance in Mozambique, the interventions of the National Programme for Decentralized Planning and Finance, as well as other strategies and programmes that embrace the complex character of the multi-dimensional food security component.

UNCDF will build on the lessons learned and the programmatic experience gained through interventions carried out in Mozambique to promote decentralization and local development under the "Decentralized Planning and Financing" projects in Nampula and Cabo Delgado provinces. In line with its track record and leading role in support for decentralization and local development, UNCDF will adopt a pilot approach to enhance governance for sustainable food and nutritional security (SFNS) and improved rural livelihoods of vulnerable households. The pilot will cover six districts in Gaza Province, Mozambique: Mabalane, Guija and Chigubo, Massinger, Chicualacuala, Massangena and will take into consideration relevant policy and institutional linkages at the central, provincial and district levels.

UNCDF has a unique mandate to finance development in the LDCs through microfinance systems and through the provision of grants for a broad category of project and capital investments for local development. Within the framework of the BFFS programme, UNCDF shall promote the financing of food security driven local development by local authorities, taking advantage of the governance structures, systems and processes at central, provincial and district level. More specifically, the UNCDF component will seek to enhance local strategic and operational planning and public expenditure management in the six selected districts in Gaza province through the use of a local development fund (LDF) for investment to strengthen food security activities identified and prioritised through a demand-based approach in local development plans. Established public financial management systems and instruments will be used for the disbursement of the LDF once a fiduciary risk assessment of the government systems has been undertaken at provincial and district levels. In so doing UNCDF will support the implementation of government policy and strategy on decentralisation and work to strengthen the promotion of food security in local development strategies; specifically in the planning, budgeting, implementation and monitoring of food security activities. Central to this will be the use of LDF grants within a performance based grant system designed to strengthen local government PFM processes and systems, the monitoring and reporting of grant investments and their impact in order to inform policy making at local, regional and national levels.

In addition to bringing its expertise in working with LDFs to strengthen Local Authorities' PFM and thereby its ability to realise national policy objectives in local development outcomes, UNCDF will

explore possibilities for additional support to Local Authorities to target key vulnerable groups with Cash Transfers (CT) linked to improving households' food security; UNCDF's experience with Government to Person Payments (G2P) will be the basis for this. Following consultations with national and provincial authorities and development partners, the possibilities for enhancing existing CT interventions through engaging local government in the targeting, management and monitoring of such CTs may eventually be part of UNCDF's support to capacity building for food security. In undertaking this component within the FNS programme, the strengthening of technical capacities within the districts in the Gaza province will be a critical element in the contribution by UNCDF.

Up-scaling the lessons learned and best practices from the UNCDF component will ensure that national policies, strategies, plans and budgets are informed by the experiences generated to integrate a food and nutritional security dimension, located within a broader programme approach, into the local planning and the public financial management and decentralized development processes practiced by the local authorities.

2. Situation Analysis

In Mozambique, malnutrition increased from 36% in 1997 to 46% in 2007, contrasting with the reduction of poverty from 69% in 1997 to 58% in 2009. Details on the depth of poverty are not visible in these figures, but it appears that the depth of poverty in terms of chronic food insecurity and malnutrition is increasing among the population below the absolute poverty line. In 2006 the prevalence of high vulnerability to food insecurity in Mozambique was 34.8% of all households with 20.3% of those households classified as highly vulnerable and 14.5% as very highly vulnerable (SETSAN, 2006; PARPA, 2006-2009). Approximately 34% of the population is chronically food insecure and 25% of the population suffers at least once a year from acute food insecurity. Eighteen percent of children (under five) are underweight for their age. Stunting affects 44% of children under five reflecting inadequate nutritional intake due to poor diet diversity; low meal frequency; low exclusive breastfeeding rates; high levels of disease infection and teenage pregnancy; and vitamin A and iron deficiency.

In addition, the HIV and AIDS epidemic is dramatically increasing with a prevalence rate of 11.7% in the age-group of 15-49 years. This affects the most productive segment of the population, causing a significant reduction in productivity, the loss of skilled workers and a decline in household asset generation and savings.¹ According to the 2007 Population Census, 24.1% of women are heads of households increasing their already crucial role in food and nutritional security based on their work in agricultural and livestock activities and their primary responsibility for household nutrition.

The country has shown a remarkable recovery from the damage of the civil war that ended in 1992. Looking back at the last fifteen years, the growth record has been impressive, averaging above 8% between 1993 and 2010. This makes Mozambique the fastest growing non-oil economy in Sub-Saharan Africa. The performance has been made possible by good macroeconomic management and the presence of a few significant foreign investment projects, so called "mega-projects", strong donor

¹ Comprehensive Food Security and Vulnerability Analysis - SETSAN/2010

support, agricultural growth (extensive rather than intensive), and foreign direct investment in the services sector. Consequently Mozambique has made substantial progress towards achieving the Millennium Development Goals (MDGs). The MDG for sustainable coverage of water supply could be met, given the rapid improvements in the provision of urban water supply, although significant progress is needed to increase access to water in rural areas. There has also been substantial progress on improving universal primary education, gender equality and women's empowerment, reducing child mortality, and improving maternal health.²

Notwithstanding the government's commitment and the relative economic success, as the problem of food insecurity suggests, Mozambique still faces important development challenges. It remains one of the poorest countries of the world - 185th position in the 2012 ranking of 187 countries in the UN Human Development Index – and more than half of its population live below the poverty line; 38% of its 24 million population suffer from under nourishment; child mortality is high at 135 per thousand live births;³ HIV and AIDS are some of the factors keeping life expectancy at a low of 50 years.⁴ In addition, Mozambicans are vulnerable to drought and recurrent floods and rural infrastructure requires substantial rehabilitation. Approximately, 40% of the State Budget is based on external assistance according to 2012 estimates.⁵

The Government of Mozambique is committed to achieving food and nutritional security as part of its pursuit of the MDGs and longer term development goals. With this objective in mind the Government of Mozambique and civil society organizations will receive the support from the Belgian Fund for Food Security (BFFS), UN agencies, the Belgian Technical Cooperation, and Belgian NGOs.

The table below indicates that Gaza Province is one of the most vulnerable areas in the country based on 2009 data. Some 60% of the population is living below the poverty line against the national average of 54% and the Province has an average chronic malnutrition rate of 34%, making Gaza the 4th poorest province in the country. The province is also one of the most affected by HIV/AIDS with the incidence of 19.9% against the national average of 16.2%.⁶ This, combined with the province's vulnerability to the serious effects of climate change, not only weakens the province's capacity to produce food leaves a population vulnerable as the percentage of orphans unable to support themselves increases.

Data taken from SETSAN reports between 2006 and 2010 shows that an average of 78,000 people annually - some 6% of total population - have been in need of food assistance in Gaza province with the maximum number observed in 2006 (145,906 people) and the minimum was observed in 2009 (36,422 people).⁷

² UNDP Economic and Policy Analysis Unit, Mozambique 2012

³ Human Development Index UND 2012

⁴ World Bank data, Mozambique.2012

⁵ From consultations with representatives from the Ministry of Planning and Development, 2012

⁶ Comprehensive Food Security and Vulnerability Analysis - SETSAN/2010

⁷ National Institute of Statistics (INE) -Gaza total population is 1,251,323 people, INE 2007 Census

According to the Comprehensive Food Security and Vulnerability Analysis (CFSVA) 2009, rural households in Gaza access more food by purchasing it than from production. Overall, 25% of rural households are considered to be 'asset-poor', meaning they have limited access to productive resources and basic services⁸. In the 6 districts selected to be the pilot for the proposed UNCDF component, availability and access to food during several months of the year are key issues together with lack of basic infrastructures including market and disaster mitigation infrastructures. Access to water, electricity, road networks and information remains a challenge for the vast majority of the population and most households in these districts drink water from boreholes or unprotected wells except for Chicualacuala and Chigubo where the main source of drinking water is a river.

In the interior of Gaza a number of factors contribute directly to the lack of SFNS. These include⁹:

- **Relatively poor agro-ecological conditions in combination with a dominant reliance on rain-fed subsistence farming by the majority of the population:** The area is characterized by a general lack of access to water rooted in the semi-arid climate with erratic rainfall even during the wetter summer season combining with predominantly poor sandy soils or soils with a shallow hard and saline sub-soil layer and together with frequent salinity of ground water. Access to fresh non-saline water is a challenge for humans, animal husbandry, and irrigation based agriculture. The agro-ecological conditions for rain fed subsistence agriculture, the dominant livelihood source for 70-80 % of the population, is further pressured by the increased climate variability and unpredictable rainfall patterns resulting in poorer and failed harvests due to more frequent and longer dry spells during the crop growing cycle in the rainy season, roughly December – April. The resultant malnutrition, particularly serious amongst children, has resulted in the need for periodic distribution of food relief and feeding programmes to vulnerable communities and households.
- **Demographics, environment, access to and control over land, family planning and social service constraints in remote areas:** On the one hand there is increased population and livestock pressure in and around areas with water and other infrastructures, such as key regional roads and a railway station, and/or limited zones with relatively fertile soils and relatively more favourable agro-hydrological conditions. This contributes to constraints in terms of the access to and control over land by women and men, and may feed a poverty–environmental degradation nexus. On the other hand, there are scattered and isolated small agricultural or forestry settlements that are thinly spread out across vast areas involving the farming of poor bush and forest lands. These scattered communities are difficult to be targeted in terms of basic service delivery, including family planning, health and education, and livelihood development extension services. Poor or non-existent access to health and social services has seen child and maternal mortality rates amongst the highest in the country.

⁸ SETSAN VAC report and WFP Comprehensive Food Security and Vulnerability Assessment 2009

⁹ From discussions with provincial and district technical teams - UNCDF field missions 2011-2012

- **Weak or absent socio-economic infrastructures, support mechanisms and services for integrated food and income systems and inclusive local economic development:** The remote districts in the interior of Gaza continue to face the legacies of colonialism and civil war that came to an end in 1992. Existent infrastructures were largely destroyed during the long civil war and concurrent instability. To these can be added the impact of climate change on rural infrastructure and lands.¹⁰ For reasons of remoteness and limited economic potential the area is not a priority for investment in economic infrastructures. The business climate remains poor; infrastructures like roads, energy and water harvesting, irrigation and infrastructures, are weak or absent; socio-economic support in sectors such as energy, ICT, transport, extension services, financial and other business development services (BDS) remain poorly developed; market access opportunities are negligible. For their part the local authorities cannot attract and retain qualified staff in the area due to its lack of development and services. The national agricultural research and extension systems have had limited financial and human resources, further and the areas with a low potential for market-oriented agriculture have been poorly served. While, capital investments in rural research and extension are beginning to increase, it is from a very low starting point, particularly in remote districts in the interior of Gaza Province.

Limited human, social, organizational and institutional capital and assets: The build-up of a balanced or exchangeable set of livelihood capital assets for women and men is a critical dimension of improved and more sustainable livelihood strategies designed to lift marginal cultivating households out of persistent food and nutritional insecurity. Opportunities for food production as well as income and economic diversification are being hampered by high illiteracy rates, particularly female, the HIV-AIDS crisis, chronically poor health in general, entrenched gender inequalities, and absent or weak community organisations. Remittances from more educated and skilled community members who have migrated are offset by the loss of social and institutional skills. Labour migration to Maputo and South Africa together with HIV-AIDS has resulted in a large number of female and child-headed households with the vulnerability this carries. For their part, development activities tend to be directed more towards relief than longer term development.

3. Government policies and the FSN Programme

The **Five-Year Government Plan 2010-2014 (5YGP)** is the central framework with prioritized interventions by the Government of Mozambique. It is focused on the key objectives of combating poverty and promoting a culture of work with a view to achieving inclusive economic growth. The Five Year Government Plan elaborates on agricultural and food security driven priorities, incorporating key dimensions of the **second National Food and Nutrition Strategy (ESAN-II)** and the embedded **Action**

¹⁰ The Government estimates that the floods affected 266,698 ha, of which 210,587 ha with diverse crops—such as maize, rice, beans and vegetables—were lost. This represents 4 per cent of the total area sown in the country. The Gaza province was the worst affected, with 30 per cent of its agriculture area lost. Source: UNOCHA website.

Plan for Food and Nutritional Security 2008-2015 (APFNS), both integrated components of the **Strategic Plan for Agricultural Sector Development 2010-2019 (PEDSA)**. The PEDSA is integrated into the instruments established by the national planning system, and presents a medium-to-long term vision based on national directives for agriculture and the priorities set out in the African Union's common guiding framework for improving agricultural sector performance – **the Comprehensive African Agriculture Development Programme (CAADP)**. Using this framework linked to wide range of strategic guidelines for agriculture, PEDSA aims to incorporate a vision that is shared by the development partners within the sector, creating a harmonized framework to guide decisions, deal with issues that affect investor confidence and speed up agricultural competitiveness in a sustainable way. PEDSA's implementation approach is based upon the use of value chain analyses and takes into consideration activities linked to:

- a) The development and transfer of technologies and provision of agricultural inputs;
- b) Agricultural production;
- c) Processing and marketing activities that add value to agricultural, livestock, forestry and wildlife products; and
- d) Sustainable natural resource management.

The 2011-2014 **Poverty Reduction Action Plan (PARP)** was designed to operationalize the Government's Five-Year Plan. PARP is a medium-term instrument and part of the National Planning System and aligned with the **Agenda 2025**, designed to help achieve the Millennium Development Goals. The **Medium-Term Fiscal Framework 2010-2014** reflects the budgetary allocations for PARP objectives, which will be pursued each year through the **Social and Economic Plan** and the **State Budget**. PARP seeks as its principal goal to reduce the incidence of food poverty at national level from 54.7% to 42 % by 2014. PARP draws on the rationale that poverty is a multi-dimensional phenomenon, and combating poverty goes well beyond a simple discussion of the underlying characteristics of absolute poverty. Rather, it is an issue that needs to be addressed from a broader perspective, reflecting the fact that individuals, families, and communities lack the capacities or the opportunities to gain access to minimum living conditions according to accepted basic standards. To achieve the objective of inclusive economic growth for reducing poverty, the government has defined general objectives to which the government's efforts will be directed. These are:

- a) to increase output and productivity in the agriculture and fisheries sectors;
- b) to promote employment;
- c) to foster human and social development, while maintaining a joint focus on:
- d) the promotion of good governance, and
- e) The ensuring of sound macroeconomic and fiscal management.

As related to agricultural and food and nutritional security priorities, the PARP explicitly emphasizes the relevance of "decentralization and the de-concentration of functions and resources to the local level so

that local government will have greater capacity to function and provide services to the citizens.”¹¹ It also highlights the function of local authorities in terms of improving the business climate to enhance further inclusive local economic development, which is considered a strategic pillar for the achievement of food and nutrition security.

2003 saw the approval of the Law for Local State Bodies known as LOLE, Lei dos Órgãos Locais do Estado.¹² LOLE (law n.º 8/2003) as its name implies, defines the role, responsibilities and status of provincial and district governments as deconcentrated units of the central state. It reaffirms their subordination to central government and legally formalizes central-local relationships, which to some degree were already accepted in practice. However, LOLE also seeks to make the local state more cohesive and integrated, tipping the balance between the sector ministries and the territorial units of the local state in favour of the latter.

Whilst to some degree maintaining and legitimizing the status quo, LOLE introduces some important changes which are already beginning to have a profound impact. These are most significantly felt at the district level where LOLE, for the first time, establishes the District Government as a legal entity, comprised of the district administration and a number of District Services and accords to it the status of a budgetary unit giving it the responsibility to prepare its own budget and expenditure proposals and receive budget allocations. Moreover the district development plan is, for the first time, legally recognized as the principal instrument for planning and budgeting. The law’s principal sponsor was the Ministry for State Administration (MAE), but in these latter two components the role of the Ministry of Planning and Finance is important.

Guidelines for the implementation of LOLE, are provided in a separate set of Rules and Regulations which were approved in April, 2005. These regulations show the extent to which the planning and budgeting instruments developed during the first phase of the decentralized planning and finance programme have influenced and been incorporated into law. For example, there is clear reference to the district development plan, the provincial (strategic) plan, and the provincial and district annual operational plans and budget with clear guidelines about their respective hierarchy and the respective roles of the community, the local government and the central organs in their approval.

Furthermore, the legislation makes reference to methodological issues in that operational plans and budgets are to be guided by provincial and district development plans and not only centrally defined, government policy and that in order for the district to fully incorporate relevant income and expenditure in its budget, it will require information on central level expenditure proposals carried out at provincial level and district level. The operational modality for decentralized planning based on multi-sector technical teams established at provincial and district level is also recognized.

¹¹ Poverty Reduction Strategy Paper. Mozambique, p13.

¹² This rather cumbersome title is probably best translated as the Local Government Act. The term “Local Government” is in itself not entirely appropriate in the Mozambican context.

Greater emphasis is given to the district and provincial governments as a whole instead of to individual line agencies. The Provincial Governor accumulates the additional executive power to authorize district level investment in health and education; the Governor may delegate this responsibility to district governments. The District Administrator and the District Government become responsible for service delivery in the district. A new post of Permanent Secretary is established at both levels to provide the institutional memory to these bodies and to facilitate them in their work – deploying the multi sector teams referred to above.

Finally, there is recognition of the participatory and inclusive nature of decentralized planning and financing. “Conselhos Distritais” are given a role in the preparation, approval and implementation of the planning instruments at district level in addition to a wider requirement to consult and involve the community in decisions. “Conselhos de Coordenação” between district and administrative post and between district and province provide institutionalized channels for the communication necessary for the full implementation of the LOLE. Whilst the legislation does not refer directly to them, it is anticipated that “Assembleias Provinciais” will have role in the approval of the provincial planning instruments.

LOLE defines the district as the base unit for planning in Mozambique and these two pieces of legislation together with their respective regulations provide a framework for decentralized planning and financing that realizes this vision.

4. FSN Programme Coherence with Provincial and District Systems and Processes

It can be seen that over the last twenty years, the Government of Mozambique has made substantial efforts in the field of decentralized governance for local development. Based on broad donor support for decentralization reforms, the Ministry of State Administration, the Ministry of Planning and Development and the Ministry of Finance have developed policies and strategies for the gradual enhancement of decentralized governance and local development. As previously stated, the specific roles and responsibilities of provincial and district governments were clarified in the 2003 Local Government Act (LOLE) and its regulations approved in 2005. These served to consolidate government functions at the decentralized level and strengthened the importance of district development plans and the system of consultative councils at district and sub-district level to facilitate community participation in the planning and development process. Participatory decentralized planning was piloted by UNDP/UNCDF in Northern Mozambique in the period 1998-2003. A similar programme for decentralized municipalities has created 43 elected municipal authorities to date, with a further 10 to be added in 2013.

A process of allocating discretionary investment budgets to district governments was started in 2006 and has gradually increased in scale. Two sources of investment funding are currently available at district

level: the **District Development Funds** (DDF) colloquially knew as the “*Sete Milhões*”¹³ and the **District Infrastructure Fund**. The DDF is allocated to individuals and community associations in the form of small loans for food production and income generation projects. These projects are selected by the Consultative Councils. The District Infrastructure Funds are for the construction and/or maintenance of infrastructure. Projects are identified in the district development plan and then programmed in the annual plan and budget (PESOD). The introduction of district investment funds replicates the LDF model introduced by UNCDF in Nampula and Cabo Delgado provinces. The value of the funds varies from district to district according to a rudimentary allocation formula. Since 2008, a range of additional functions, responsibilities and funds within the education, health, water and road sectors have been decentralized to district level albeit on rather limited bases.

In 2012 the Council of Ministers approved the **Decentralization Policy and Strategy** which builds on and seeks to consolidate the achievements at local level in the period 2003-2012. The strategy identifies districts as the focal point for local development and seeks to strengthen institutional capacity to manage the development process in a participative way at both district and sub-district level and to enable districts and local communities to play a larger role in planning, implementation, management and monitoring of development activities.

Decentralization and de-concentration are also the main objectives of the **Public Sector Reform Programme** with the main goal of giving the district level organizational capacity:

- a) to interact with other social actors in the fight against poverty and promotion of economic growth,
- b) to institutionalize participative methods of planning;
- c) to reinforce the provincial government actions and responsibilities; and
- d) to expand the local participatory planning in the context of the administrative and financial decentralisation process.

Another key strategic objective in terms of Public Financial Management is to promote greater comprehensiveness, accountability (including transparency), effectiveness and efficiency in the management of public funds.

As a result of these developments the structures, systems and processes have gradually been put into place to provide a platform to anchor food security-based programme interventions. Nevertheless, despite the efforts and progress that has been made to date in the decentralization process, there are still significant challenges to be addressed in the decentralization of the FSNS agenda, especially at District level, which are crucial for the success of the FSNP. Based on the earlier analysis of the situation of districts in the interior of Gaza, there is a clear need for enhanced governance in the area of food security and a particular need for more rigorous integration of FSNS into the district planning process and to strengthen the leading role of communities play at district level. Moreover, these planning initiatives

¹³ 7 million Meticaís was the amount initially allocated to each district

need to be better linked to the more effective use and efficient management of the limited investment funds available to district governments.

For this objective, within the BFFS programme, UNCDF aims to reinforce the instruments established at the decentralized level in Mozambique with particular emphasis on food security approached through integrated local development efforts. Lessons learned from an initial pilot in six districts shall feed into policy and institutional development as efforts are subsequently scaled up to other food and nutrition insecure districts in the province and elsewhere in the country.

5. UNCDF contribution in Mozambique

UNCDF implemented its development interventions in northern Mozambique until 2008 in partnership with UNDP. Within the Decentralized Participatory Planning and Financing programme, the longer-term development objective was to contribute to poverty reduction through improved local governance in the rural districts of Nampula and Cabo Delgado. The immediate objective was for improving the access of rural communities to basic infrastructure and public services through sustainable and replicable forms of decentralised participatory planning, financing and capacity building at the district level. In realising these objectives, the project contributed to the mainstreaming of decentralised planning in Mozambique through the introduction of a National Programme as well as to broader national policy with respect to decentralisation, local government, budget reform and inter-governmental fiscal transfers.¹⁴

6. Project Rationale and Implementation Strategy

The Belgium Fund for Food Security Programme is designed to take the implementation of the national food security agenda forward to reach the most vulnerable households. The 6 selected districts in Gaza Province will become part of consultative processes aimed at reversing negative trends in depletion of assets and in food security in a sustainable manner. The strengthening of coordination mechanisms and institutional capacity building to guide and promote the greater integration of food security initiatives will provide a sound basis for sustainable food security and nutrition security.

As the description and analysis of the development situation in Gaza Province has shown, changing the state of food security to benefit the substantial part of the population facing food insecurity is integrally linked to the role and work of local government. Accordingly, the UNCDF component will focus on local governance and thereby local government and development. The focus will be focus on food security and nutrition specifically and ensuring more effective institutional coordination of food security initiatives. In addition, the component will promote and facilitate the up-scaling of best practices to ensure that national policies are informed by the experiences of integrating sustainable food and nutritional security into the work of local government using the modality of efficient and accountable local public expenditure management.

¹⁴ Adjusted from the UNDP-UNCDF Final Report.2009

In order to design and implement the approach, government staff at local and national levels will need to develop a sound understanding of not only the factors underlying current food and nutrition problems, but also the ways food security can be significantly enhanced by strengthening local government's public financial management to enable changes to key institutional factors shaping food availability, accessibility, stability, and utilisation.

Targeting Food Insecurity: To maximize the impact of the resources available UNCDF will use its experience of working with Local Development Funds and with Government to Person Payments to ensure that food security is approached in a manner designed not only to secure efficient and effective implementation and management, but also in an accountable and sustainable manner that is inclusive to those most vulnerable. The methodology for identifying, delivering to and monitoring the beneficiaries of support is critical to the programme. It involves a range of decisions and actions that determine 'who gets what' in order to improve their food security. There are many approaches to targeting beneficiaries, varying according to context, objective and nature of benefit. Several approaches might be overlaid including:

- **Area-based** targeting: selection of areas (districts) for the programme.
- **Identity-based or group** targeting: identification of specific sections of the population on the basis of age, gender, or other social characteristics that provide an objective or subjective 'identity';.
- **Household** targeting: usually based on the household as a socio-economic unit (e.g. production, consumption, etc)
- **Individual** targeting: sometimes based on specific characteristics as with a child, a mother, a female pupil, but often linked to a household or group when used in nutritional, education and health programmes

The development of a methodology for the targeting of beneficiaries, in Gaza Province will be an important step in the first phase of the programme. The methodology will seek to build upon the roles and responsibilities of institutions of local government and also collaborate closely with the ongoing programmes of development partners. UNCDF's use of grants in Local Development Funds is designed to strengthen the supply side of government with a specific focus on local public financial management. Central to effective and efficient financial management is the pursuit of accountability and greater equity for local communities and citizens. Greater inclusion of those who are vulnerable marginalized and not least food insecure will be critical. Therefore targeting such groups and individuals will be central to the programme and performance measures can incentivize their inclusion and participation. Likewise the use of grants in the form of cash transfer activities within a G2P payment modality will require targeting of households and their members.

UNCDF will draw upon its global experience of working with local development finance to build upon the lessons derived from its success with the **Decentralized Participatory Planning and Finance Programme** implemented jointly with UNDP in Nampula and Cabo Delgado provinces. These lessons demonstrate the critical importance of supporting and building the capacity of existing local institutions, systems and

processes for the achievement of sustainable solutions. In the selected 6 districts the UNCDF component within the BFFS programme will focus on the development planning process, the public expenditure management, and the strengthening of the FSN component of district strategic development plans (PEDDs) and annual socio-economic plans and budgets (PESODs). These plans sit at the core of the decentralized planning and budgeting systems in Mozambique and evolved with the 2003 Local Government Act (LOLE). However, they still do not adequately address or integrate food security and nutrition considerations or other related cross-cutting issues such as gender, climate change and disaster risk reduction nutrition. Methodologies have been prepared for the integration of these issues in the development planning process, but have yet to be adequately tested.

Consultative councils at district and sub-district level will provide the platform to enhance a participatory and inclusive approach to planning and budgeting for sustainable food security interventions both within and beyond the framework of the BFFS programme. Moreover community participation in the monitoring of plan implementation and district development will enhance government accountability.

UNCDF will establish a food security driven Local Development Fund (LDF) in the selected districts of the FNS programme. The LDF will be used as a lever to develop the capacity of district governments to plan, budget, finance, implement and monitor food security driven local development and public service delivery more effectively and efficiently and with greater transparency. The LDF will pilot a discretionary capital fiscal transfer system at the local level, which will be carefully aligned with and seek to enhance the effective and coordinated use of investment funds currently available at district level. With technical collaboration from SETSAN, WFP and FAO, critical food security related infrastructure will be identified and prioritized through the participatory strategic and operational planning process. While the UNCDF approach to LDFs is not to have the funds allocated in advance, but to promote the local authorities' capacity to take decisions in a demand driven way, in this case 60 % of the funds will be directly invested in socio-economic infrastructures that promote food security at the local level. Using Minimum Conditions and Performance Monitoring (MCPM) the LDF will incentivize and guide the decision-making process such that food security needs will be secured through both supply and demand driven processes meeting in the institutional space provided by the local authority. In this way programme funds will be channeled to the needs of the local communities while promoting local development and the achievement of the MDGs. It is also intended that the instrument of the LDF will have a direct impact on the existing plans and budgets established under the coordination of the district authorities, improving their management from planning to monitoring and ensuring that they also support food security in the districts.

As indicated, UNCDF's LDF modality entails the use of the established PFM systems and processes to secure the efficient and accountable disbursement and utilisation of funds. In addition to the use of the MCPM to monitor local authorities' financial management annually, a fiduciary risk assessment will be carried out further to ensure that project funds are used for their intended purpose, achieve value for money, and can be properly accounted for. The ultimate purpose of the fiduciary risk assessment, however, is to identify risk, and facilitate local authorities to "own" and manage risk.

A priority with UNCDF's LDF instrument is to promote a greater demand driven element into the identification and planning of investments by the local authorities and greater participation in the implementation and monitoring to secure greater accountability, both of which serve to strengthen local governance. Investments and projects critical for unleashing the natural resources potential for food security include classic and core infrastructure projects such as energy projects, transport, warehouses, food processing plants. The table below provide a snapshot about the potential investment typologies and its relation with the food security pillars:

Investment Types	Description	Investment menu (Examples of investments)	Food security pillars Intermediate outcomes	Main responsible actors
Public goods Infrastructure for the provision of basic socio-economic services	Local authorities projects related to the provision of basic services in the area of education, sanitation, health. They promote accessibility and utilization of health services (clinics, hospitals); They promote child growth monitoring and community nutrition education	Clinics, hospitals, youth and community centers, schools, drinking water installations, , sanitation, irrigation systems, feeder roads, nutrition sensitization campaigns, service and market centres	Food Utilization	Public sector : LGs and sector agencies Civil Society (for management and maintenance in the case of small-scale infrastructures) and NGOs and CBOs for subsistence productive activities
Private goods¹⁵ Infrastructure for Natural Resource Management	Investments aimed at increasing local agricultural and livestock production and productivity for organisations' or individuals' private gain. They foster sustainable local economic development through natural resource management, financial service provision, climate-resilient infrastructures , as well as through usual economic multiplier impact.	Natural resources sustainably exploited and managed; land use planning and management; more efficient irrigation schemes; soil conservation, regeneration and restoration projects; Seed banks, food banks, livestock production centers, micro-hydro structures for energy, water supply and irrigation, agro-processing, etc	Food Availability	Private sector : Agro-business and farmers NGOs and CBOs : small-scale investments, maintenance, management
Public and Private goods¹⁶ Infrastructure for local economic	Projects that help connecting service provision with production and consumption (market information, technical information, linking of farms to market Projects that attract investments	Roads, markets and shops, waste disposal/ management, storage (Cereal and grain banks, food banks), warehouses,	Food Accessibility and Stability	Private sector : retail, agro-processing and transport enterprises Public sector : LGs and sector agencies

¹⁵ Public goods could also be useful for natural resources management: renewable energy, water supply for example are needed by the private sector but could need some public investments.

¹⁶ This is directly linked to PPP: Local economic development means investments to connect rural and urban areas, which includes private investment (transport entrepreneurs), but also public ones (road, bridges, etc).

development	through development projects and financial institutions.			
--------------------	--	--	--	--

This investment typology provides a first attempt to define an investment menu that addresses food security pillars and responsible parties. It does not mean that the programme will only focus on infrastructures since they will go hand in hand with services and capacity building supports. For example, the natural resources related investments will probably be accompanied by training for the farmers. The aim of the UNCDF component is to improve the volume of investment needed to strengthen the local food systems, through appropriated investment vehicles.¹⁷

In the case of G2P payments, the involvement of local government not only enhances the management effectiveness of the local authority; it brings local ownership to the intervention through the local authority and the communities with the introduction of a grievance mechanism and community engagement in the targeting and monitoring of beneficiaries. These are significant measures that all local social protection programmes can potentially draw upon. The proposed feasibility and design work for the later implementation of a G2P component, the Food Security and Social Protection (FSSP) pilot, within the broader FNS programme will commence with government and development partners' engagement in a G2P visioning workshop to secure core stakeholder buy-in to the pilot proposal. Based on a feasibility and design study of the 6 programme districts, a pilot proposal and an outline of the approach and methodologies will be prepared and shared with government and partners.¹⁸ These same stakeholders will be invited to form a Technical Committee for the pilot once it has been agreed and funding for the G2P payments secured.

The study will detail the core elements of the approach and methodologies including:

- Targeting mechanism
- Grievance mechanism
- Delivery modality (initial proposal being for a Private Sector Provider for payments)
- Management Information System for monitoring, evaluation and reporting.

UNCDF will seek to link the G2P payments to beneficiaries accessing key services and resources to secure improved food security. Part of the initial scoping study will be to assess which service or resource should be selected and the sector organisations responsible for its delivery. Their engagement will be a critical element in securing the pilot's intended results in food security.

7. Policy coordination

One of the challenges for improving food and nutritional security will be coordinating development actors' interventions at different levels. In the case of Gaza Province these include ongoing programmes and projects in the fields of gender, HIV-AIDS, climate change, disaster risk reduction. One of the objectives of the BFFS programme is to integrate these cross-cutting issues into provincial and districts

¹⁷ Adjusted from the UNCDF F4F – Finance for Food.

¹⁸ This will take the form of an initial draft Manual of Operation (MoO). It is envisaged that 2 or 3 districts might be covered by the FSSP pilot.

plans and budgets and to secure that work towards food security can maximize the contribution that a more holistic approach can offer. For that reason, the UNCDF component will seek to contribute to the national policy agenda in order to integrate food security, climate change, disaster risk reduction and the gender dimensions into the decentralized planning and financing systems.

At the local policy level, primarily located in the decision-making located at provincial and district levels, a number of communication challenges have been observed regarding the design and implementation of provincial and district plans. These could well act as constraints for the BFFS framework approach. Given the multi-dimensional approach and number of institutional actors involved in food security and nutrition issues it will be imperative to coordinate line ministries' strategies, policy instruments and fiscal policies to secure a well-coordinated programme. The **Provincial Directorate for Planning and Finances** will have a crucial role in harmonizing and coordinating the multi-sector approach to food security at the provincial and the district levels.

Finally, the programme must create a suitable learning environment so that best practices can feed back to the relevant ministries to inform national food and nutrition security policies, strategies, plans and budgets.

8. Partnership Strategy

The development of strong partnerships and complimentary working relationship with other development agencies and interventions will be essential to the success of the UNCDF component within the BFFS programme. UNDP, which is providing technical assistance to the **National Programme for Decentralized Planning and Finance** (PNPFD) will be a particularly significant partner. Fortunately, UNCDF can build on a long experience of partnering UNDP in local development projects including, importantly, in Mozambique and on this basis it is envisaged that strong, collaborative working relationships can be quickly established and be very productive.

The PNPFD is a government programme which seeks to improve the capacity of local government to manage public resources and district development in a participative and transparent manner. It specifically intervenes to strengthen the development planning process at district level, improve the quality of district strategic and operation plans, the effectiveness of consultative mechanisms, strengthen plan implementation and public financial management, and through improved management of information and knowledge, ensure that best practices are documented, disseminated and inform national policy. UNDP's contribution to PNPFD in Gaza is through the provision of technical advisors embedded in the provincial directorate of planning and finance who are responsible for building capacity and transferring know-how at both provincial and district level. UNCDF's focus on strengthening the FSN component of district development plans and the provision of capital funds for infrastructure will significantly complement and substantially strengthen Government and UNDP efforts to promote local development and improve service delivery at decentralized level through the PNPFD. Moreover, UNDP's technical advisors, and the working relationships and systems they have established with provincial and district Government staff and other key agencies and institutions will be a significant asset to the UNCDF

component within the BFFS programme in Gaza province and UNDP technical advisors based in the Ministry of planning and Development can support knowledge management and policy up-scaling efforts

A second UNDP project offering partnering potential is **ART-PAPDEL** which also collaborates with the PNPFD to strengthen the local economic development component of the development planning process at district level. PAPDEL's focus on supporting district Governments, local communities and local entrepreneurs to analyse the economic development potential of the district and identify potential value chains could dovetail neatly with the economic dimension of the food security and indicate where investment in food security related development might be most productive. PAPDEL has developed a methodology for the integration of LED into the district planning process and which has already been tested in Guija District in Gaza and could readily be replicated in the other BFFS programme districts.

An additional program to be considered is the **UN joint programme on Climate Change Adaptation** that has been implemented for a number of years in the Chicualacuala district. Within this framework, the programme will increase food security based capital investments at the local level to reinforce climate change adaptation measures and interventions.

The UNCDF component within the BFFS programme will take advantage of work done by **UN Women** in Mozambique and tap into methodologies and tools used for the regional programme on **Gender Equitable Local Development** (GELD) to promote gender responsive planning, programming and budgeting and develop a rights-based approach to development that enhances participation of women and women's organizations within the local development process. These measures will particularly focus on gender inequalities and women's empowerment in the context of food security. Lessons from the implementation of GELD in Niassa Province, Northern Mozambique, and work done with consultative councils and the introduction of a gender orientation to district annual plans and budgets (PESODs) will be particularly useful in Gaza.

The work of the **WFP** and **FAO** in targeted food and cash transfers already plays a critical role in the pursuit of SFNS. As discussed previously, UNCDF will work closely with WFP and FAO to explore the ways that local governments can bring added value to the targeting, grievance, management and monitoring processes in the making of such G2P interventions. In addition, UNCDF's knowledge on developing and managing innovative financial flows can make an important contribution to work in this field.

UNCDF will maximize its interventions in the BFFS programme with ProDEL (*Programa para o Desenvolvimento Económico Local*), a programme funded by the European Union and other development partners. It is designed to promote Local Economic Development (LED), seeking to bring public institutions, the business sector and other non-governmental partners into a collective engagement to create better conditions for inclusive economic growth and employment creation. ProDEL facilitates the formulation and implementation of comprehensive and balanced local development strategies, along four main axes: a) advancement of human capital, b) upgrading of local

infrastructure, c) improvement of the competitiveness of local firms, and d) attraction of economic investments.

Following recent discussions between UNCDF HQ and the BFFS representatives in Brussels, it was agreed that UNCDF 40% contribution may come from:

- Direct contributions to the programme budget from UNCDF core resources.
- Contributions to the programme budget from non-core resources raised and managed by UNCDF from bilateral and other funds.
- Contributions to the programme budget from parallel funds raised by UNCDF, but not managed by UNCDF
- Contributions raised through the successful piloting and subsequent adoption of an intervention for the local delivery of food security activities fully aligned with the objectives of the programme.

The annual UNCDF contribution will be presented in the Annual Report to be presented to the Programme Board for their approval.

9. Results and Resources Framework

As agreed throughout the BFFS programme design phase between programme partner agencies and the representatives of the Government of Mozambique, the BFFS programme will pursue the following joint outcomes:

a. Joint outcome 1: Enhanced governance for sustainable food security and nutrition

UNCDF's component will seek to improve the enabling environment, strengthen institutions, and enhance beneficiaries' capacity to participate in the decentralized decision-making processes. The component contributes to the programme development objectives by enhancing capacities to plan food security and nutrition activities at provincial and district levels.

UNCDF will contribute through facilitating the integration of FSN issues into a participative planning, budgeting, implementation and monitoring process at district level. This includes providing support to:

- a) the development and implementation of a monitoring and evaluation system (including baselines on critical structures, systems, infrastructures and service delivery for SFSN);
- b) the reinforcement of programme management and implementation arrangements within the BFFS scope
- c) Provincial and district governments, technical departments, consultative councils and other relevant stakeholders for the prioritisation of investments in SFSN relevant infrastructure and service provision
- d) the pilot of a financing mechanism for capital investments through a local development fund (LDF) at the district level
- e) Investment in socio-economic infrastructure

Special attention will be given to improve the information systems on natural disaster risks, food security and nutrition at provincial and district level. The National Disaster Management Institute (INGC)

and SETSAN will be strengthened in the fields of data analysis, nutrition profiling, risk-mapping and information management.

b. Joint outcome 2: Improved rural livelihoods of vulnerable households

UNCDF's component will contribute to the broader programme outcome in seeking to improve and diversify rural livelihoods of food insecure and low-income households to reduce their vulnerability to shocks. Given the limitations on financial and technical capacity in the targeted areas, a focused approach is needed. In consultation with the local stakeholders, the following key areas of action will be taken into consideration:

- a) Capacity building among vulnerable smallholders for improving their farming activities and livelihoods through farmers field schools that incorporate not only technical skills, but also aspects of nutrition and gender;
- b) Community-based management of the natural resource base which is a key determinant of rural livelihoods and nutrition education.
- c) A G2P Food Security Social Protection (FSSP) pilot involving a targeted cash transfer to the most vulnerable households in specific localities designed to strengthen their access to key government services and resources that can build their potential for SFNS.

The component contributes to the programme development objectives by:

- a) empowering smallholders and strengthening their technical and organizational capacity for agriculture and livestock production and marketing;
- b) assisting communities in improving sustainable utilization of natural resources;
- c) assisting smallholders in accessing the resources within the LDF to undertake economically feasible productive investments;
- d) targeting the most vulnerable households with additional support to access services and resources;
- e) improving nutritional practices generally.

UNCDF has no specific interventions apart from the CT for SFNS pilot in this component, but all UNCDF programme outcomes will support and improved rural livelihoods of the vulnerable households.

c. Joint outcome 3: Improved effective food security coordination

The programme will build up the human, technical and institutional capacities of SETSAN in order to enhance its coordination role and better integrate food security priorities into the planning, budgeting, implementing and M&E systems at the national, provincial and district level. The programme will also reinforce the use of existing governance structures, especially at the provincial and district level. The UNCDF component will provide assistance to SETSAN to further harmonize and articulate development partners' interventions through the current governance structures, systems and processes.

The strategy of the Belgian Fund for Food Security is to reinforce and develop multi-sector components that comprehensively address the structural causes of food insecurity. The implementation of such multi-institutional framework will provide a broad diversity of development interventions that will be oriented to achieve the joint outcomes of the BFFS programme. Specifically, the following interventions have been proposed by the development partners participating in the programme:

World Food Programme:

Risk and food security information available at district level

WFP will invest in improving the capacity of SETSAN and related institutions in the generation, collection, analysis, dissemination and management of high-quality food security and nutrition data at provincial and district level. All provinces and districts are currently involved in data collection only. Similarly, district risk mapping will be conducted to identify the main hazards in the districts and map them accordingly. A series of provincial and district level trainings will be conducted, taking opportunities of any new data collection exercise to emphasize as much as possible on-the-job learning as well.

Developed knowledge, skills capacity and awareness of food security and nutrition, disaster risk reduction and climate change adaptation at decentralized levels

With INGC and SETSAN leadership and based on respective areas of expertise, the provision of standardized methods and tools for food security assessment and vulnerability/risk analysis at the national and district levels will be supported. It includes the dissemination of proven tools, assessment methodologies and analytical products, as well as clear guidance on how to use them, with deliberate focus on the development, testing and refinement of new analytical methods, frameworks for response analysis, and decision-making instruments that support food security interventions. WFP will adapt to local circumstances normative guidance for household-level food security and nutrition assessments and analysis, as well as analysis related to disaster risk reduction and management at district levels.

Reinforced capacity of local communities to deal with disasters

Following the Disaster Prevention and mitigation master plan and the same strategy that Government and partners are using WFP will provide early warning kits to 18 committees in the districts target by the programme to improve and standardize their actions, for disaster preparedness. WFP have provided already around 50 early warning kits to community committees in Tete, Gaza and Inhambane, as well as UNDP and GIZ. These committees are trained by INGC, with WFP support on their roles and immediate actions in case of imminent disaster.

Built or restored disaster mitigation assets by target communities.

In the target districts interventions that will lead to increased resilience and have an impact in reducing the risk of disasters or allow a better adaptation to climate change will be selected from the district development plans. Plans and specific projects will be designed and supplies programmed. Appropriate cooperating partners, possibly amongst the BFFS programme partners, that are available at field level and hold the convenient skills and knowledge will be selected to implement these activities in close

collaboration with WFP, SDAE and INGC. These interventions, according to the district plan could include, small water reservoirs, drainage systems, tree and seedling nurseries and wind breaks, conservation agriculture, including multiplication of cassava and sweet potato seedlings and rain water harvesting methods.

Adequate food consumption reached over assistance period for target households

In the targeted areas approximately 1,960 food insecure households with capacity to work, equivalent to 9,600 people, will receive cash or in kind transfers, in return to their participation in labour-intensive activities for community asset creation. The assistance will address food gaps at specific times of the year (lean season), while enabling the creation of productive and disaster-mitigating assets. The choice of the specific activities will be based on communities' livelihoods and priorities identified in the District Development Plans.

Food and Agriculture Organization:

Increased production and productivity of agriculture and livestock

Working closely with District extension agents, the programme will identify existing FOs or form new groups interested in using the FFS approach to improve production systems and livestock husbandry practices. Depending on the needs and local agro-ecological conditions the FFS will focus on issues such as improved rain-fed crop varieties, soil fertility management practices, integrated pest management, water management, herd dynamics management, feeding strategies, sustainable rangeland utilization, improved production of small stock (goats, sheep and chicken), animal traction for production and transport and improved disease prevention and control. Aspects related to land tenure will be included in the FFS curriculum.

Improved community-based natural resources management

The FSNP will establish community management committees which will undertake forestry inventories and prepare simplified management plans. The FSNP will also help committees developing business plans related to economic forestry activities (non-timber forest products, medicinal plants, bee keeping). The programme will train communities on: sustainable forest management, agro-forestry practices, establishment of nurseries to initiate reforestation practices and bush fires management.

Nutrition education introduced.

The programme will build on and complete the work carried out on 'Vamos Comer' (Let's eat) training material produced by FAO in a project funded by BFFS so as to contribute to the introduction of nutrition education in the curricula of primary schools in districts covered by the programme. The FSNP will invest in the formulation of the training module for Grade six so as to have a full set of materials covering the entire primary school cycle. The project will train the school teachers and will adapt (if necessary) and print the 'Vamos Comer' manual for distribution to schools. In addition to the work with the schools, the available training materials will be used to mainstream the theme of nutrition education in other interventions and programmes in the area.

DISOP:

Families and communities of EPFR ex-students get organized and participate actively in farmer organizations and in district forums on agriculture and food and nutritional safety (FNS).

The FSNP seeks to increase the capacity of the communities of the students of the 2 rural family schools to be created to participate in local and district discussion forums, in growing interaction with existing farmers associations of the district. Planned support activities will focus on: i) empowering families through information and capacity building; ii) empowering their grass roots organizations through the promotion of meetings within the communities (45 communities targeted) to discuss key issues of concern and training of leaders, whenever possible in coordination with the activities organized by the other stakeholders of the programme; iii) follow up of communities in their participation in local and district forums.

Families and communities of EPFR ex-students apply the recommended production and nutrition systems to improve their food and nutritional safety.

The FSNP will set up 2 permanent rural extension educational services, to train young people and their families in food and nutritional safety, through the creation of 2 agricultural schools (“EPFRs”) recognized by the Ministry of Education, managed by family associations and applying the “alternation pedagogy” (2 weeks in school / 2 weeks in a socio-professional environment). In the framework of an integrated training, these schools will teach production techniques (mentioned above by the FAO), but also gender relations, health care (HIV/AIDS, etc.) and active citizenship. Students will be trained as multiplier farmers and will pass on their knowledge to their families and communities. Each school should train each year 80 students and impact 400 families.

FOS:

Improved participation of local communities and farmer organizations in decision-making processes at local, district and provincial levels

The FSNP seeks to increase the capacity of Farmers’ Associations and Consultative Councils to participate in the PEDDs, advocate and lobby on key issues they face in their daily life. Planned support activities will focus on: i) empowering grass-root members through basic numeracy, literacy, accounting and management skills and influencing gender attitudes; ii) strengthening governance and leadership; iii) carrying out an assessment of the smallholders’ association needs at the FSN level and; iv) supporting farmers’ unions at zonal level, providing training in lobbying and advocacy.

UNAC and SINTAF are able to provide effective and sustainable services that improve food security and enhance livelihoods of their members

The improvement of the unions’ internal core capacities to be able to deliver services and support to its members will be worked out during the initial phase of the project and translated into key indicators of organisational development. As service delivery has to be close to the clients, a service delivery centre

will be developed at district level. Contact persons or facilitators will be trained by the project so that they can present and play their role in the associations. The training will be followed by service delivery that could include on-farm experiments and demonstrations, training in marketing of produce, networking with other service providers or stakeholders, setting up credit facilities for local farmers, etc. The facilitators will also assist the local branches to set up local service centres or 'Casa Agricola' in collaboration with others. Due to the lack of capacity of UNAC and SINTAF, it will also be important to seek collaboration with other service deliverers such as the government, credit institutions, marketing organisations, NGO's and the other partners of the BFFS consortium implementing the programme.

In addition, and complementing the development partner's interventions, the following UNCDF outcomes and outputs will be structure UNCDF's engagement in the BFFS programme:

UNCDF Outcome 1: Local public expenditure management in the six districts in Gaza province contributes to increased sustainable food and nutritional security;

UNCDF Output 1.1: The use of public financial resources for food security at local level is **planned** and **budgeted** for in an integrated, transparent, and effective manner.

UNCDF Output 1.2: The use of public financial resources for food security at local level is **managed** in an integrated, transparent, and effective manner.

UNCDF Output 1.3: The use of public financial resources for food security at local level are **accounted for** in an integrated, transparent, and effective manner.

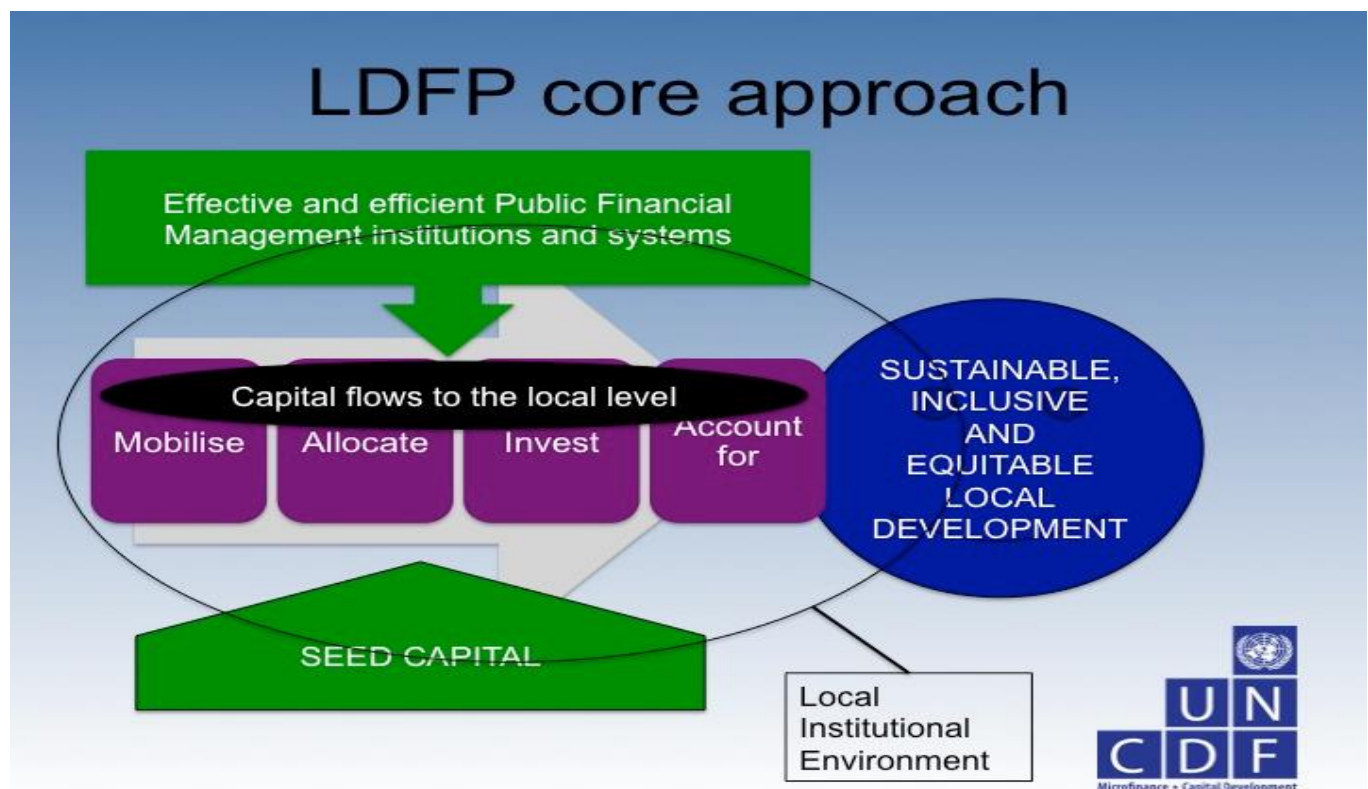
UNCDF Outcome 2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local public expenditure management.

UNCDF Output 2.1: Food security based local development strategies and approaches captured and disseminated among local governments and policy makers

The above presented outcomes and outputs are directly interconnected to the UNCDF LDFP core approach. UNCDF's mandate will be applied by investing seed capital combined with technical assistance in innovative financial systems and mechanisms that trigger increased flows of resources for local development, both as development. The illustration presented below highlights the desired increase in capital flows to the local level. In this context, UNCDF component will aim to mobilize, allocate, invest and account for these increased flows within the local institutional environment and through local

institutions and through innovative G2P targeted and local authority managed cash grants. The BFFS programme shall be embedded in the local institutional environment and combine and articulate seed capital and technical assistance for food security and nutrition.

Within the UNCDF LDFP core approach an intermediate objective will be to unlock and further leverage finance for strengthening local food security systems in the Gaza Province. At the centre of this approach are the building and strengthening of institutional systems to account for the public resources managed at the central, provincial and district levels and developing innovative financial instruments to strengthen local development, in this case Local Development Funds and targeted G2P payments. These are designed to take fully into account within the BFFS programme objective to promote food security as part of a process of transparent, sustainable, inclusive and equitable local development.



Source: UNCDF, 2012.

Table 1: RESULTS AND RESOURCES FRAMEWORK

Description of the intervention logic	Verifiable Indicators	Sources of verification	Assumptions and Preconditions
PROGRAMME IMPACT: Improved food security and nutrition of vulnerable households in 6 districts in Gaza province.	# of food insecure households and vulnerable people reduced.	Baseline information in the District Development Plans. Surveys and reports of National Institute of Statistics, SETSAN, MPD and donor agencies (such as WB, UNDP, WFP, FAO) Monitoring and evaluation reports.	<ul style="list-style-type: none"> - Information and data is regularly and accurately collected - Information and data is regularly and accurately collected. - All partners are able to accomplish their targets. - The coordinated and integrated actions are conducive to the improvement of the FS situation and increase the resilience of vulnerable households.
Programme Outcome 1: Enhanced governance for sustainable food and nutritional security through local government. Programme Outcome 2: Improved rural livelihoods of vulnerable households. Programme Outcome 3: Improved effective food security coordination	% poverty and food insecurity reduced in the selected districts of Gaza province.	Baseline information in the District Development Plans Surveys and reports of National Institute of Statistics, SETSAN, MPD and donor agencies (such as WB, UNDP, WFP, FAO)	<ul style="list-style-type: none"> - Information and data is regularly and accurately collected - Local government is able to “grow” at the same pace as programme investments - Information and data is regularly and accurately collected
UNCDF OUTCOME 1: Local Public Financial Management in 6 Districts in Northern Gaza Province contributes to increased sustainable food and nutritional security.	% reduction in poverty and food insecurity reduced in Gaza Province	<ul style="list-style-type: none"> • Programme progress reports. • Case studies. • Provincial Strategic plans • District budgets and development plans implementation. • G2P FSSSP reporting once a pilot is implemented 	<ul style="list-style-type: none"> • Continuing political commitment to advance the decentralization strategy. • Promotion of a food security based integrated local development. • Stakeholder agreement to pilot G2P FSSP

UNCDF Output 1.1. The use of public financial resources for food security at local level is planned and budgeted for in an integrated, transparent, and effective manner.	% of funding increased and planned for FSN development interventions.	<ul style="list-style-type: none"> • Provincial Strategic Plans. • District PES. • Baselines reports. 	<ul style="list-style-type: none"> • Institutional divergences regarding mandates and use of decentralized food security based government structures and systems.
UNCDF Output 1.2. The use of public financial resources for food security at local level is managed in an integrated, transparent, and effective manner	% of financial resources increased and managed by local authorities.	<ul style="list-style-type: none"> • Provincial Strategic Plans. • District PES. • Program reports. 	<ul style="list-style-type: none"> • Roles, mandates and responsibilities clearly defined and or agreed by the participating agencies and/or by the government line ministries involved in the programme.
UNCDF Output 1.3. The use of public financial resources for food security at local level are accounted for in an integrated, transparent, and effective manner.	<ul style="list-style-type: none"> • # of Districts with Institutionalized community and citizen accountability instruments in place 	<ul style="list-style-type: none"> • Provincial Strategic Plans. • District PES. • Progress reports. 	<ul style="list-style-type: none"> • Institutional divergences addressed with regards to the functioning of decentralized government structures. • Roles and responsibilities clearly defined, understood and agreed.
UNCDF OUTCOME 1: Indicative Activities 1.1. Inception workshop with development partners in the Gaza province to improve decentralized participatory planning and budgeting processes. Stakeholders consultations> geographical focus, targeting and methodological approaches. 1.2. SFSN prioritized, integrated, and budgeted for in harmonized Provincial and District Strategic Plans and annual socio-economic plans and budgets (with PNPFD) 1.3. Provincial and district governments capacitated for improved public expenditure management cycle, in particular for prioritized FNS infrastructures (with PNPFD)	Resources <ul style="list-style-type: none"> • Technical Assistance. • Programme Assistance including grants. 	Estimated Budget Allocation 6.746.073 USD	Assumptions and Preconditions <ul style="list-style-type: none"> • Institutional divergences with regards to the functioning of decentralized government structures. • Roles and responsibilities not clearly defined, understood and/or agreed. • Targeting approach agreed with local authorities, development partners and communities • Grievance and management systems for G2P FSSP agreed amongst core stakeholders • Funding secured during 2014-15 for initiating the pilot.

<p>1.4. Guidelines and procedures elaborated for the use and management of the LDF mechanism.</p> <p>1.5. Mandated accountability mechanisms implemented (with PNPFD)</p> <p>1.6. Feasibility study for G2P FSSP pilot based on implementation through local government using a Private Service Provider (PSP) for making the CTs</p> <p>1.7. As a continuation of the study, the design of pilot including draft of instruments and methodologies prepared in close collaboration with all stakeholders , and constituting a proposal to secure a G2P grant fund to provide CTs to 'x' households in 'y' districts</p>			
---	--	--	--

<p>UNCDF OUTCOME 2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local Public Expenditure Management.</p>	<p># of national policy and legislative instruments created and/or influenced by the programmatic food security based experiences.</p>	<p>Government policy documents. Decentralized participatory planning and budgeting progress reports.</p>	<p>-Donors maintain interest and commitment in promoting food security based policies (right to food policy).</p>
<p>UNCDF Output 2.1. Food security based local development strategies and approaches captured and disseminated among local governments and policy makers.</p>	<p># of best practices generated in food security in the selected districts of the programme</p>	<ul style="list-style-type: none"> • Progress program reports. • Food security based policy mapping 	<ul style="list-style-type: none"> • Coordination and harmonized food security based structures and systems may facilitate policy development, especially the development of the right to adequate food policy.

UNCDF OUTCOME 2: Indicative Activities 2.1 Mapping of existing policies and institutional arrangement for SFNS governance, including perceived policy and policy implementation gaps, knowledge management and institutional constraints. 2.2. One annual key publication on “lessons learned” and best practices and recommendations for SFSN governance, including for improved PEM for targeted public investments in SFNS relevant socio-economic infrastructures (with PNPFD) 2.3. Midterm Evaluation and Final Evaluation, including KM/ KD and policy/ institutional dimension. 2.4 Implementation and reinforcement – if necessary- of the methodology to include the food security dimension into the planning and budgeting processes (with PNPFD)	Resources Technical Assistance. Program Assistant.	Budget 2.031.414 USD	Preconditions and assumptions <ul style="list-style-type: none"> • Donors maintain interest and commitment in promoting food security based policies (right to food policy). • Coordination and harmonized food security based structures and systems may facilitate policy development, especially the development of the right to adequate food policy.
---	---	---------------------------------------	--

Brief risk analysis of various proposed interventions:

With regards to the potential institutional risks that may be encountered throughout the implementation of the program, the table below briefly highlights the major programmatic bottlenecks, with its corresponding measures to efficiently and effectively manage the prospective risks.

OUTCOMES	RISKS	MITIGATION MEASURES
OUTCOME 1: Local Public Financial Management in 6 Districts in Northern Gaza Province contributes to increased sustainable food and	1. Institutional divergences regarding mandates and use of decentralized food security based structures and systems. 2. Roles and responsibilities not clearly defined and/or agreed.	1. Capacity building exercise to fine-tune institutional roles and responsibilities at the national, provincial and district level 2. Governance based capacity building so as to reach a consensus regarding the use of existing decentralized government structures and systems

nutritional security.	3. Sector driven approach instead of having a more integrated decentralized planning and budgeting.	3. Institutional capacity building enhanced to mainstream food security into national systems and decentralized planning and budgeting tools.
OUTCOME2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local Public Expenditure Management,.	1. No use of decentralized -both at the provincial and district level- and existing government structures which may minimize knowledge management and policy development. 2. 2. Non coordinated and harmonized food security based structures and systems may eventually jeopardy policy development, especially the development of the right to adequate food policy.	1. Governance based capacity building so as to reach a consensus regarding the use of food security based decentralized government structures and systems. 2. Institutional dialogue among the government ministries and departments at the national and local level that may contribute to food security based policy development.

10. Management and Coordination Arrangements

The BFFS Programme partners FAO, WFP, the Belgian Technical Cooperation and UNCDF, as well as the Belgian NGOs participating in the programme, will articulate their interventions with government decentralized structures so as to enhance programme efficiency and effectiveness and guarantee the anticipated impacts at the local level; notably:

- a. The decentralized government apparatus as determined by the 2003 Local Government Act (LOLE)
- b. The structures used for the sector-wide approach through MINAG taking into account the inter-sector coordination mandate of SETSAN.

In addition, programme management will seek wherever possible to improve coordination between different government structures systems and processes as a means to facilitate coherence of focus, objectives and synergies. This emphasizes the need to support and strengthen the capacity of SETSAN to be able to perform effectively its coordinating role in the context of a food security driven decentralization process and an integrated component in the overall decentralization policy and strategy.

At the national level, although there is strong political will to support decentralized district planning processes led by the Ministries of State Administration, Planning and Development and Finance, there is a need to enhance alignment of these processes with other ministries. In particular, the Ministry of Agriculture and the Technical Secretariat in Food Security (SETSAN) need to strengthen their efforts to mainstream food security into established decentralized planning and financial management processes. To this end, the institutional dialogue across and within provincial directorates will play a critical role in securing socio-economic programme objectives and institutional sustainability.

Existing decentralized government systems and processes will be taken into account throughout the programming cycle so as to reinforce the multi-disciplinary programmatic objectives and Programme Partners and key stakeholder recognize the importance of using the Government's Provincial and District Development Plans as the modality for promoting and financing food security based local development. Government decentralized planning and budgeting systems will be used for programme implementation, management, coordination, monitoring. It is planned that the programme will undertake government capacity building to ensure institutional, economic, social and environmental sustainability of its components.

Programme management will be based around the present governance system in Mozambique involving central, provincial and district levels. Furthermore, in all specific programme planning and implementation processes the consultative councils will play a key role in terms of providing local perspectives, influencing prioritization and even giving feed-back with respect to outputs, outcomes and impact. The Consultative Councils will also provide a forum for the participation and inputs of relevant civil society organisations into the programme on a regular basis.

In the case of the proposed G2P FSSP, once funding is secured for the cash transfers (provisionally by 2015), a separate Technical Committee will be established for the G2P FSSP. Its constitution has yet to be finalized and will be part of the ToR for the feasibility study. Provisionally it will be at the Provincial level and will operate as a sub-committee to the Programme Board (see below). In addition to government representatives (Local Authority and relevant sector officials at provincial level), representatives from WFP, FAO, UNDP and UNCDF will have observer status on the pilot Technical Committee. This is aimed at securing effective coordination and thereby synergies with other social protection interventions in the Province.

Programme Management Arrangements:

The programme will be implemented under the National Implementation (NIM) modality. Within this framework, UNCDF will provide technical assistance and management support services, as specified in the budget, as well as in the Annual Work Plans.

Government Implementing Partner: The Ministry of Planning and Development -through the Provincial Directorate in Planning and Finances - will be responsible for defining, assessing, and monitoring programme outputs towards country-level outcomes, in close collaboration with the Ministry of State Administration and the Technical Secretariat in Food Security. The Provincial Directorate in Planning and Finances will be the entity responsible and accountable for managing the UNCDF component in the BFFS programme.

UNCDF Programme Specialist: The UNCDF Programme Specialist (hired by UNCDF with BFFS funds) is responsible for UNCDF's support to successful programme management and contribution to the achievement of programme outcomes. The Programme Specialist is also responsible for developing an evaluation plan and commissioning and using evaluations in accordance with the UNCDF-UNDP evaluation policy. The Programme Specialist ensures that projects continue to contribute to programme outcomes through delivery of planned outputs, via efficient and effective management of resources.

The Director Planning and Finance, Gaza Province, will be designated '**Project Manager**' for the purposes of the UNCDF component within the BFFS programme and s/he will have designated authority to run the project on a day-to-day basis on behalf of the Programme Board, and in close consultation with the UNCDF Programme Specialist, within the limits and constraints established by the Board. The Project Manager's prime responsibility is to ensure that the project produces the results defined in the project document, to the required standard and within the specified time and budget.

The **Programme Support** role provides project administration, management and technical support to the Project Manager as and when required. The Programme Support Team will consist of a Programme Specialist and a Programme Associate. The Programme Support Team will ensure the overall steering and oversight project implementation, in support of the project manager's role and in close collaboration with all other programme partners.

The **Programme Assurance** is the responsibility of each Project Board member. The Programme Assurance role supports respective Programme Board member in carrying out programme oversight and

monitoring functions. In this context, daily monitoring function is delegated to UNCDF through the Programme Specialist, the Programme Associate and UNCDF Regional Office for Africa. This role ensures that appropriate project management milestones are managed and completed.

The Outcome Manager -Project Coordinator: is responsible for managing UNCDF project outcomes and coordinating the activities supported by the activity managers in respective ministries and provincial directorates. The Project Coordinator will be embedded in the Provincial Directorate of Planning and Finance in Gaza province.

Project Support: The Project Support role will provide project administration, management and technical support to the Project Manager as required. The Project Support team will be form by the Project Coordinator and the Technical Advisor in Planning in Gaza province.

Human Resource structure in Gaza province

UNCDF will be funding a Project Coordinator position, which will be responsible for managing UNCDF project outcomes and articulating the activities with DP's interventions in Gaza. S/he will be assisted by a Technical Advisor in Planning, Monitoring and Evaluation. Both positions will form the core human resource structure of UNCDF in Gaza province for the BFFS programme.

UNDP is currently financing five positions within the framework of the National Programme on Decentralized Planning and Finance in Gaza. These positions, which are located at the Provincial Directorate in Planning and Finances, are: a) Project coordinator; b) Technical advisor in Planning; c) Technical advisor in fiscal decentralization; d) Programme assistant; e) Driver.

It is expected that UNCDF interventions within the BFFS programme will be reinforcing UNDP development outcomes in the NPDPF, and vice-versa. In order to maximize UNCDF development interventions in Gaza, the UNCDF Project Coordinator and the Advisor in Planning, Monitoring and Evaluation will articulate its roles and responsibilities with the existing UNDP human resource structure.

With the aim of supporting the Delivering as One experience in the country and to capitalize on the existing technical and financial resources, both UNCDF and UNDP human structures will create-reinforce the needed programmatic mechanisms to facilitate a smooth BFFS programme implementation, i.e. the establishment of annual work plans; the provision of quarterly financial reports; increase programmatic dialogue within the NPDPF and the BFFS. The strategic rationale behind this close collaboration among UNCDF, UNDP and the Provincial Directorate in Planning and Finance will be to support common development objectives in Gaza province, i.e. promotion of the decentralization policy and strategy; increase financing for food security development interventions through local authorities.

In this framework, for the administrative and financial support at the provincial level, the UNDP funded positions shall provide the support needed to the UNCDF programmatic operations in Gaza. In this

context, further discussions with UNDP country office -regarding their potential contribution, i.e. parallel funding to the BFFS programme- shall continue throughout the implementation of the programme.¹⁹

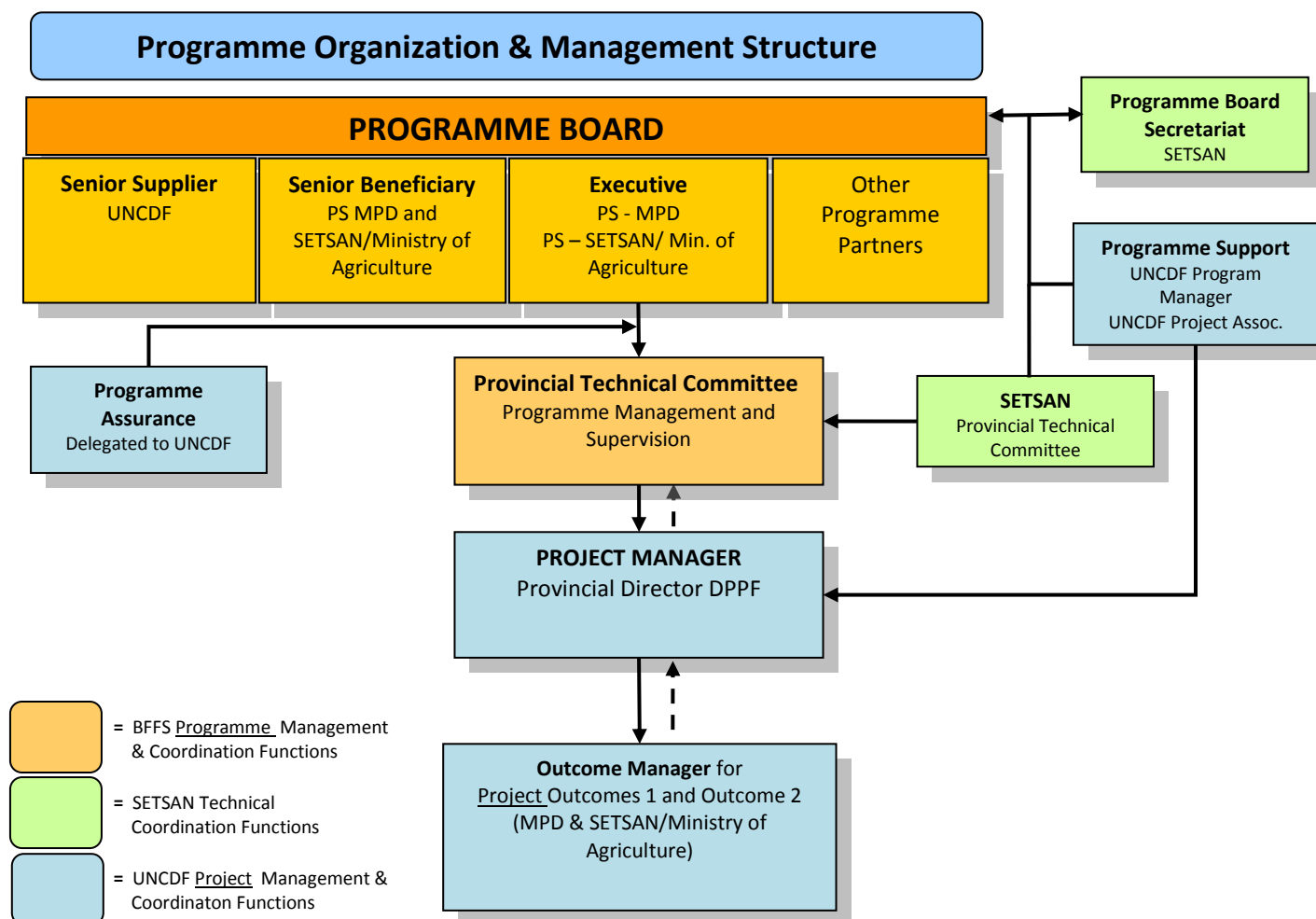
11. Programme Board: roles and responsibilities

At the global level, there will be a BFFS Programme Steering Committee, which shall provide strategic guidance and advice to the development partners implementing the BFFS programme at the country level.

In Mozambique, ideally the BFFS programme should be handled under one Steering Committee with Development Partner and the Government of Mozambique, and one decision making structure. However, since it requires that DPs get on board, UNCDF would -in the short term- use a programme board, which shall be represented by the GOM and BFFS and UNCDF. In this regard, at the overall programme management level, a Programme Board shall be set up as a mechanism for consultation and on the consensus basis making management decisions on programme issues. The Programme Board will take the overall managerial responsibility for the programme and will meet at designated points during the implementation of the programme to review progress and take decisions regarding the implementation of the programme, including programme revisions, as and when necessary. The Programme Board may receive guidance or recommendations from the Project Manager, UNCDF and other programme implementing Partners. The Project Manager may consult the Programme Board for advice or decisions when his/her competencies have been exceeded. The Programme Board is designed to reflect the interests of those owning the programme (the executive); those responsible for guiding the implementation of the programme (senior supplier); and, those whom the programme should benefit (senior beneficiary)

This list of members of the Programme Board (see below) may be expanded as appropriate. The Programme Board will review and approve annual budgets and work plans, progress reports, and provide strategic guidance to the Belgian Fund for Food Security Programme. It will meet every six months, subject to approval at the inception workshop.

¹⁹ A MoU shall be prepared once a common understanding with UNDP CO has been reached .



SETSAN will serve as the Secretariat to the Programme Board. It will invariably serve as the technical coordinating institution for the comprehensive BFFS framework programme with the following functions

- Ensuring the integration of Food and Nutritional security issues into the provincial and district Development Plans and Budgets
- With technical support from the UN partners and BTC, develop the strategic direction for the Programme and prepare or compile the documentation required for consideration and/or approval by the Programme Board.
- In line with the approved strategic direction of the Programme, prepare consolidated work plans and budgets in dialogue with Government counterparts, participating UN organizations, as well as BTC and Belgian NGOs for submission to the Programme Board.
- In conjunction with the technical partners prepare any formal work plans or budget revisions as required, for submission to the Programme Board.
- Ensure that implementation in respective technical agencies is in accordance with the approved work plans and budgets and indicate delays or bottlenecks to the respective Provincial

Supervising Committee and Programme Board in a timely manner. Ensure sequencing and coherence of programme activities between the participating UN organizations, BTC, Belgian NGOs and central and local government entities.

- Act as the secretariat to the Technical Committee for the G2P FSSP pilot, once initiated, reviewing plans and monitoring progress and providing regular reports to the Provincial Steering Committee and thereby the Programme Board.
- Undertake regular field trips and develop sound and constructive relationships with Gaza Provincial Government staff and local governments involved in the Food Security Programme; similar for other provinces that may be covered beyond the programme
- Consult with senior technical agency staff and government as required for accurate briefing of the Programme Board.
- Provide documentation services and facilitate regular capacity development on food security for provincial and district actors

For SETSAN to respond to its mandate and aforementioned tasks, it may initially require support from the respective UN technical agencies. The UNCDF component within the BFFS programme therefore has a strong focus on the continuous capacity development of SETSAN itself. It is also anticipated that the capacities of SETSAN will be developed for SETSAN to be able to manage large programme initiatives in a sustainable way in the future. In this regard, and following consultations with BFFS development partners involved in the Gaza province, BTC will be providing technical assistance to SETSAN to reinforce its coordination role within the BFFS programme.

At Provincial Level:

The Provincial level is tasked with a supervisory role and ensuring coordination between the respective district efforts into a concerted provincial action plan responding to food security requirements. The institutional structure therefore has to be aligned with and integrated into the existing decentralized systems to provide legitimacy and to ensure that the food security process is embedded in the regular development process at the provincial level. This is the best way as to move from a project mode into effective, efficient and fully institutionalized sustainable development process. The food and nutritional security management processes and supervision of implementation activities will be an integrated component of the Provincial Administration through the support, facilitation and technical coordination by SETSAN. At the provincial level then, the **Provincial Technical Committee (PTC)** comprising the Provincial Directorates of Planning and Finances (DPPF), Public Works and Housing (DPOH) and Environmental Coordination (DPCA), Agriculture (DPA), Health (DPH) and Education (DPE) will have responsibility for project supervision, management and coordination

The SETSAN Provincial Technical Committee will provide technical inputs related to FSN for programme coordination to the **Provincial Technical Committee**. These technical committees are critical in providing as to provide advice and support to the Programme SC tailored towards the needs of an integrated local development strategy. The PTC has the following responsibilities:

- Ensuring that the programme interventions are aligned with the provincial plans and strategies for food security
- Deployment of human resources from the respective provincial and district departments in support of the Programme.
- Ensuring that AWP in the province is implemented and programme targets achieved.
- Ensuring that through the Provincial Directorate of Agriculture/SETSAN it receives, reviews and endorses consolidated periodical reports on Programme implementation and progress in the Province
- Provide an effective supervisory and coordinating role for the implementing institutions at provincial and District level.

At District Level

Institutions at district and sub-district level are the target of programme interventions in relation to capacity building. The district is the focus of the participatory planning process, plan implementation and monitoring. Although district institutions strictly speaking have no managerial responsibility for programme implementation, there are some key coordination functions required to facilitate the smooth implementation of the UNCDF component within the BFFS programme. The District Administrator is the political and administrative head of the district and has overall responsibility for the coordination of district development: However, the key coordination function at a technical level for the programme is in the **District Secretariat** supported by the **District Technical Team which** comprises technicians from the four district Services and normally headed by the **Head of the Department for Planning and Finance** who responds to the District Permanent Secretary. The Focal Point for Food Security is based in the **District Service for Economic Activities** but is represented in the District Technical Team and specifically represents the interests of the program within the team. The District Technical team with support of the Food Security Focal Point will coordinate and facilitate programme activities at the district and sub-district levels.

The implementation of the UNCDF component within the BFFS programme at the district level will be carried out by the four district technical services for Economic Activities (SDAE), Planning and Infrastructure (SDPI), Education, Youth & technology (SDEJT) and Health Women and Social Action (SDSMAS) coordinated through the District secretariat which is responsible for district planning and finance functions.

Absorption capacity for programme implementation may be a challenge for District Governments, especially in the initial stages. There will, therefore, be a process of dialogue with provincial and district authorities to design, if needed, an adequate multi-disciplinary team to monitor the implementation of the programme. If necessary short term technical expertise may be contracted by UNCDF to provide technical guidance, backstopping and additional targeted training for implementation by the respective district service units. These persons will be considered as an integral part of the technical groups that provide the required technical support and serve as temporary internal anchors for learning and capacity development within the selected districts of the programme.

12. Fund Management Arrangements

a. Financial management and logistical considerations

The UNCDF component within the BFFS programme will be implemented using the National Implementation Modality (NIM). The national Implementing Partner (IP) will be the Ministry of Planning and Development through the Provincial Directorate in Planning in Gaza province. Taking into consideration the multidisciplinary character of food security, the involvement of, and coordination with, most of the provincial line departments as well as the district service departments, is anticipated. The financial resources provided to the Government of Mozambique through the UNCDF component within the BFFS programme will be on-budget, meaning integrated and accounted for through Ministry of Finance systems although initially, whilst a fiduciary risk assessment is undertaken, it is expected that funds will be transferred directly to the provincial and district authorities through the established project architecture.

The basis of the UNCDF Local Development Fund (LDF) approach is to provide grants to the local authorities based upon their attaining certain basic mandated financial management standards. Performance measures are included to enable the incentivizing of good performance in grant management and investment performance. The grants are provided primarily to undertake capital investments and for capacity development. These are supported through the provision of technical assistance. In this programme component the focus will be on strengthening food security through these allocations.

Within the overall project funding modality, funding for a separate G2P fund will be sought during phase 1 of the programme, once agreement to pilot has been reached amongst the relevant stakeholders. The G2P FSSP fund will be established based upon a MoU between the government and UNCDF. The proposed G2P FSSP fund will provide:

- the grant funds for the CTs,
- TA and operational grants to the local authorities and to the CT PSP
- incentive and performance grants for management and monitoring
- TA for developing and supporting the required systems and processes

The full details in terms of methodologies and approaches will be incorporated into the FSSP pilot design and the initial draft Manual of Operation to be developed on the basis of the feasibility study.

b. Procurement procedures

With regards to the funds managed by UNCDF Country Office, UNDP/UNCDF procurement procedures will be applied for technical assistance, logistic and office equipment and other project inputs. Regarding the capital grants provided through the LDF for food security based socio-economic investments at the district level, procedures aligned with the Mozambican Procurement law will be defined. Implementation of capital grants will be co-managed in collaboration with the Provincial Directorate for Planning and Finance.

c. Fund Management Arrangements:

Any grant payments to local authorities will be covered by the MOU for the LDF, and Government will be assume full responsibility of the use of the funds in accordance with agreed use, and for the processes for allocation and accountability. Any other transfer of cash to National Implementing Partners, not covered by the MOU for the LDF will be covered by the provisions required under the Harmonized Approach to Cash Transfers (HACT). .

d. Implementation Modalities:

The Ministry of Planning and Development acts as National Implementing Partner. Within this context, the Ministry of Planning and Development will play a key role in the national leadership and implementation of the BFFS Programme.. In this capacity, it will provide support to capacity building and integration of all activities within national systems and processes, and provide leadership for policy and advocacy support throughout the programme implementation. Capital grants to District Governments will be disbursed through the Provincial Directorate for Planning and Finances (DPPF), who will be accountable for the use of the funds based on a Memorandum of Understanding with UNCDF. Technical advice and coordination will also be provided by MINAG/SETSAN, as Responsible Agent. Technical Assistance and management support will be provided by UNCDF, as specified in the budget and Annual Work Plans.

13. Monitoring, Evaluation and Reporting

Regular and consolidated programme monitoring and reporting on a six-monthly basis will be the responsibility of **SETSAN** as agency responsible for overall programme coordination and management. This will include monitoring and reporting on the G2P FSSP pilot once established. SETSAN will receive technical support from BTC and BFFS Programme partners, including UNCDF, to fulfill this function. The different implementing agencies responsible for specific components of the BFFS Programme will provide SETSAN with regular progress reports on programme implementation and results achieved within their respective components. SETSAN with support from programme partners will be responsible for developing, during the first six months of programme implementation, a comprehensive M&E framework and monitoring plan. A key component of the M&E framework will be a methodology for assessing programme impact using the programme impact and outcome indicators that will be refined during the programme inception phase. The programme baseline and impact assessment will use a mix of quantitative and qualitative impact assessment methods. As a minimum, a quantitative baseline and impact assessment will be carried out at the start and end of the programme. During the baseline and impact studies, a beneficiary programme assessment will be carried out making use of participatory appraisal techniques to gauge participant perceptions of change, their causes and impact in their lives. At a later stage, the baseline study and the subsequent beneficiary monitoring will have the possibility of drawing directly upon, and maintaining full integration with, the baseline surveys conducted for the G2P FSSP for targeting and subsequent monitoring purposes. This data collection and management will be part of an integrated local authority management information system.

A vulnerability assessment for food security and nutrition in Gaza Province will be undertaken on a regular base (probably twice yearly) by SETSAN and this assessment will be used as an indicator of the progress in relation to the food security and nutrition situation in the selected programme districts in Gaza Province. Under the coordination of SETSAN regular programme supervision mission with programme partners will be undertaken and reported to the Provincial Technical Committee and the Programme Board. In addition, it is expected the district planning process and district monitoring reports (*Balanço de PESOD*) will provide the basis for regular review of progress at field level and provide feedback from programme participants, both directly and indirectly and serve as a means for sharing experiences gained.

A Mid-Term Review will assess programme performance in the target districts and based on its conclusions and recommendations, decisions will be taken regarding programme design and implementation.

The programme will be independently evaluated, prior to its completion, by an agency jointly agreed by Government and Programme Partners, in order to assess the programme's overall achievements and performance. The terms of reference, timing, procurement and other details relating to the final evaluation will be determined in consultation with all concerned parties. In addition to the mid-term and final evaluation, any member of the Programme Board may call for a "spot evaluation" or "rapid assessment" of any aspect of programme implementation at any stage of the implementation process if there are sufficient grounds to consider such an evaluation necessary. The proponent of a spot evaluation will submit a request in writing to the Chair of the Programme Board copied to other Board members setting out the reasons or circumstances deemed to require such an evaluation. Findings of the evaluation will be reported to the Provincial Technical Committee and the Programme Board. The programme Board will determine what actions, if any, are required following such an evaluation.

SETSAN will also ensure that field experience, best practices and other relevant information related to the Programme will be fed back into policy and programme work at provincial and national levels and shared among a broader group of interested stakeholders.

Table 2: Programme Monitoring Framework:

Intervention Logic	Indicators	Data source	Method of data collection	Frequency	Responsible
Expected long-term impact: Improved food security and nutrition of vulnerable households in 6 districts in Gaza province.	% of food insecure households and vulnerable people reduced	Baseline information within the Provincial and District Development reports.	Collection and data analysis from Government Development reports.	Baseline, midterm, end of project and ex-post.	SETSAN, MPD, UNCDF.
Outcome 1: Local Public Expenditure Management in 6 Districts in Northern Gaza Province contributes to increased sustainable food and nutritional security.	% poverty and food insecurity reduced in the selected districts of the Gaza province	Baseline information in the Provincial and District Development reports.	<ul style="list-style-type: none"> - Programmatic progress reports. - Case studies. - Provincial Strategic plans - District budgets and development plans implementation. 	Baseline yearly	SETSAN, MPD, UNCDF.

Outputs: 1.1. The use of public financial resources for food security at local level is planned and budgeted for in an integrated, transparent, and effective manner. 1.2. The use of public financial resources for food security at local level is managed in an integrated, transparent, and effective manner 1.3. The use of public financial resources for food security at local level are accounted for in an integrated, transparent, and effective manner	% of funding increased and planned for FSN development interventions % of financial resources increased and managed by local authorities % of FSSP pilot beneficiaries reducing the # of food insecure months by 20% (subject to G2P FSSP becoming operational) # of Districts with institutionalized forms of community representation and participation in place	Food security driven programmatic reports. Reports by Districts and sector driven provincial directorates. Provincial and districts budgets. Project documents. Provincial strategic plans and sector planning and budgeting process.	Data analysis from the provincial and district development reports. Data analysis from the provincial and district development reports. Data analysis from the provincial and district development reports.	Quarterly.	UNCDF, MPD, SETSAN.
Outcome 2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local Public Expenditure Management.	% of national policy and legislative instruments created and/or influenced by the programmatic food security based experiences.	Government policy documents. Decentralized participatory planning and budgeting progress reports.	- Programmatic progress reports. - Case studies. - Provincial Strategic plans	Yearly	SETSAN, MPD, UNCDF.
Output 2.1. Food security based local development strategies and approaches captured and disseminated among local governments and policy makers.	# of best practices generated in food security in the selected districts of the programme	Progress program reports. Food security based policy mapping	- Programmatic progress reports. - Case studies.	Yearly	SETSAN, MPD, UNCDF.

Activities: please refer to the activities presented above.	Policy and Institutional Framework analyses on SFNS (local, national and global dimensions) Knowledge management, database building and regular publications for different target groups, including awareness creation materials. Lessons learned and recommendations to enhance food security governance.	Specific progress reports and baselines on improved food security governance structures.	Data analysis from progress reports based on programmatic experiences.	Yearly	UNCDF, MPD, SETSAN.
Inputs	1) Capital Investments 2) Operational Investments. 3) UNCDF Human Resources Structure. 4) Capacity developed within the decentralized government structures.	Provincial and districts budgets. Project documents.	Collection and data analyzed from the program progress reports.	Weekly	UNCDF, MPD, SETSAN.

SETSAN shall ensure, with the technical assistance provided by the Belgian Technical Cooperation, that a Programme Inception Report is prepared within the first six weeks of the programme implementation containing a detailed programme work plan, the practical modalities for coordination among the many programme stakeholders, and the support expected from programme staff and collaborators. The report will be submitted to the implementing partners for clearance prior to submission to BFFS. SETSAN, with the assistance of the BTC technical assistance, will prepare every six months a Programme Progress Report in English. The progress reports will be cleared by the implementing partners within a deadline to be set by SETSAN and forwarded through the appropriate channels to the donor. It shall contain: an account of actual implementation of the activities compared to that scheduled in the work-plan, and the achievement of outputs, based on the objectively-verifiable indicators; an identification of any problems and constraints (technical, human, financial, etc) encountered during implementation, recommendations for corrective measures; and a detailed work-plan for the following reporting period.

Six months prior to the end date of the program, a draft Final Report will be made available by SETSAN with inputs from the implementing partners for consideration at a final multi-partite review meeting among Government, BFFS and the implementing partners. It will assess in a concise manner, the extent to which the programme's scheduled activities were carried out, the outputs produced, progress towards the achievement of expected outcomes and impact, and it will also present recommendations for any future follow-up action arising out of the programme. Upon conclusion of the programme, the Final Report will be finalized by SETSAN with input of the partner implementing agencies and submitted to the central government for its consideration.

- **Legal Context or Basis of Relationship**

Government of Mozambique and UNCDF SBAA signed on 03 March 1994 defines the basic conditions under which UNCDF and its executing agencies shall provide assistance to the government in carrying out its projects and under which the programme shall be undertaken.

The Programme Document, together with the UNDAF and its Action Plan signed by Government and UNCDF, shall be the instrument referred to as such in article I of the Standard Basic Assistance Agreement between GOM and UNCDF. The following revisions may be made to this programme document under signature of the Government and UNCDF: Revisions in, or addition of, any of the annexes of the Programme Document and mandatory annual revisions that rephrase the delivery of agreed programme inputs or increased expert or other costs due to inflation or taking into account agency expenditure flexibility.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNCDF's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNCDF reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNCDF funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNCDF hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

- **Work plans and budgets**

Indicative Annual Work Plan: Food Security and Nutrition Program (FSNP) in six Districts of Gaza Province 2013-2017

Outcome 1: Local Public Expenditure Management in 6 Districts in Northern Gaza Province contributes to increased sustainable food and nutritional security.										
Outputs	UN Org.	Indicative Activities	TIME FRAME				IP	PLANNED BUDGET		
			Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
Out 1: The use of public financial resources for food security at local level is planned and budgeted for in an integrated, transparent, and effective manner.	UNCDF	1.1. Inception workshop with development partners in the Gaza province to improve decentralized participatory planning and budgeting processes. Stakeholders consultations geographical focus, targeting and methodological approaches.	X				MPD	UNCDF	Technical Assistance, Travel, Logistics.	200.000
		1.2. SFSN prioritized, integrated, and budgeted for in harmonized Provincial and District Strategic Plans and annual socio-economic plans and budgets (with PNPFD)	X	X			MPD	UNCDF -Additional discussions shall follow with UNDP	Technical Assistance Grants for Capital Investments – G2P instrument	20.000 600.000
		1.3. G2P Feasibility study undertaken, FSSP pilot pilot document prepared	x					UNCDF	TA	40.000
Out 2: The use of public financial resources for food security at local level is managed in an integrated, transparent, and effective manner.	UNCDF	1.4. Provincial and district governments capacitated for improved public expenditure management cycle, in particular for prioritized FNS relevant infrastructures (with PNPFD)				X	MPD	UNCDF -Additional discussions shall follow with UNDP	Technical Assistance	20.000
		1.5. Guidelines and procedures elaborated for the use and management of the LDF mechanism	X	X			MPD	UNCDF	Technical Assistance	55.000

		1.6. Draft Manual of Operation for G2P FSSP pilot developed including instruments for targeting mechanism, beneficiary selection and grievance mechanism *								40.000
Out 3: The use of public financial resources for food security at local level are accounted for in an integrated, transparent, and effective manner.	UNCDF	1.7. Reinforcement of the current accountability mechanisms (with PNPFD)			X	X	MPD	UNCDF -Additional discussions shall follow with UNDP	Technical Assistance	20.000
Outcome 2: National policies are informed by the experiences of integrating sustainable food and nutritional security into local Public Expenditure Management.										
Outputs	UN Org.	Indicative Activities	TIME FRAME				IP	PLANNED BUDGET		
			Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
Output 2.1. Food security based local development strategies and approaches captured and disseminated among local governments and policy makers.	UNCDF	2.1. Mapping of existing policies and institutional arrangement for SFNS governance, including perceived policy and policy implementation gaps, knowledge management and institutional constraints.	X	X			MPD	UNCDF	Technical Assistance	150.000
		2.2. One annual key publication on “lessons learned” and best practices and recommendations for SFSN governance, including for improved PEM for targeted public investments in SFNS relevant socio-economic infrastructures (with PNPFD)				X	MPD	UNCDF -Additional discussions shall follow with UNDP	Technical Assistance TA	20.000 100.000
		2.3. Midterm Evaluation and Final Evaluation, including KM/ KD and policy/ institutional dimension. (baseline data in place)					MPD	UNCDF		
		2.4 Implementation and reinforcement – if necessary- of the methodology to include the food security dimension into the planning and budgeting processes (with PNPFD)				x		UNCDF -Additional discussions shall follow with UNDP	Technical Assistance	30.000
Total Planned Budget Period (Covered by the AWP): 2013/2014										1,050,000

Global Budget and Results and Resources Allocation Framework

The Global Budget and the project results and resources allocation framework are detailed below. The financial planning is presented in USD²⁰.

Global Budget

		TOTAL
Total BFFS contribution to UNCDF component	A	5.577.382 USD
UNCDF Management Fees	B 7%	384.817 USD
BFFS budget available for the UNCDF component	C	5.112.565 USD
UNCDF CORE and NON-CORE CONTRIBUTION²¹	D	3.664.921 USD
Fund available to achieve outputs	C+D	8.777.487 USD

Results and Resources Allocation Framework:

Attached.

²⁰ Based on UNORE data, May 2013

²¹ It is envisaged that core funding will be a maximum of USD 1,500,000 over the period of the project. Changes will be agreed with BFFS.