

Country Name	<b>The Project for Development of Local Industry through One Village One Product Movement</b>
Republic of Mozambique	

**I. Project Outline**

Background	<p>The main composition of companies in Mozambique was a small number of large companies and a large number of registered small and medium-sized enterprises (SMEs)and micro-enterprises as well as informal micro-enterprises. Registered SMEs accounted for 98.6% of all registered companies. Many of the registered SMEs and micro-enterprises were micro enterprises that were rooted in local markets, and strengthening business management skills, quality control technology, and productivity to enhance competitiveness in domestic and global markets were important issues.</p> <p>Based on a request of the Government of Mozambique, JICA provided technical assistance in the implementation of a One Village One Product (OVOP) project.</p>												
Objectives of the Project	<p>Through(i) establishing a CaDUP* framework, (ii) conducting on-the-job training (OJT), (iii) providing support to SMEs, and (iv) sharing the experience of the project, the project aimed at establishing CaDUP implementation procedures, thereby contributing to business development of the targeted SMEs.</p> <p>*CaDUP stands for Cada Distrito Un Produto and means One Village One Product (OVOP) in Portuguese.</p>												
	<p>1. Overall Goal: By deepening and disseminating CaDUP program, business of targeted SMEs are maintained or developed in the target areas.</p> <p>2. Project Purpose: CaDUP implementation procedures and structures for Mozambique are well established in the target areas.</p>												
Activities of the project	<p>1. Project site: (i) Ninedistricts in Maputo Province (Boane, Namaacha and Manhica Districts), Gaza Province (Bilene, Manjacaze and XaiXai Districts), Inhambane Provinces (Inharrime, Maxixe and Zavala Districts) and (ii) Nampula and Manica Provinces*</p> <p>*Activities in Maputo, Gaza and Inhambane Provinces were implemented by joint initiative of Institute for Promotion of Small and Medium Enterprises (IPEME) and JICA, and in Nampula and Manica Provinces by initiative of IPEME utilizing experience and lessons of the three (3) provinces.</p> <p>2. Main activities: (i) establishing an CaDUP framework, (ii) conducting OJT, (iii) providing support to SMEs, and (iv) sharing the experience of the project</p> <p>3. Inputs (to carry out above activities)</p> <table><tr><td>Japanese Side</td><td>Mozambican Side</td></tr><tr><td>1) Experts: 8persons</td><td>1) Staff allocated: 26persons</td></tr><tr><td>2) Trainees received: 19 persons</td><td>2) Facilities: Project office and training/seminar rooms</td></tr><tr><td>3) Equipment: Vehicles, photocopying machine, computers, and others</td><td></td></tr><tr><td>4) Local cost: Equipment, Car, C/P travel allowance, pilot project costs, sub-contract &amp; local consultant</td><td></td></tr></table>			Japanese Side	Mozambican Side	1) Experts: 8persons	1) Staff allocated: 26persons	2) Trainees received: 19 persons	2) Facilities: Project office and training/seminar rooms	3) Equipment: Vehicles, photocopying machine, computers, and others		4) Local cost: Equipment, Car, C/P travel allowance, pilot project costs, sub-contract & local consultant	
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Project Period	January 2013-February 2017 (Extension: January 2017 to February 2017)	Project Cost	(ex-ante) 380million yen, (actual) 429million yen										
Implementing Agency	Institute for Promotion of Small and Medium Enterprises (IPEME) <sup>1</sup>												
Cooperation Agency in Japan	KRI International Corporation, UNICO International Corporation												

**II. Result of the Evaluation**

&lt; Special Perspectives Considered in the Ex-Post Evaluation &gt;

Continuation of the Project Purpose is analyzed as a factor for achieving the Overall Goal.

<b>1 Relevance</b>
<p>&lt;Consistency with the Development Policy of Mozambique at the Time of Ex-Ante Evaluation &gt;</p> <p>The project was consistent with the development policy of Mozambique. Under the “Small and Medium Size Enterprises Development Strategy” in Mozambique formulated by the Ministry of Industry and Trade (2008), objectives include (i) improvement of technology and management capabilities and (ii) strategic medium and small business development which were relevant with the project.</p> <p>&lt;Consistency with the Development Needs of Mozambique at the Time of Ex-Ante Evaluation &gt;</p> <p>The project was consistent with the development needs of Mozambique for strengthening SMEs. Registered SMEs accounted for 98.6% of all registered companies in Mozambique.</p> <p>&lt;Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation&gt;</p> <p>The project was consistent with Japan’s ODA Policy to Mozambique. One of the priority areas of ODA to Mozambique was revitalization of regional economy<sup>2</sup>. OVOP was included in this area. Also, promotion of OVOP was referred in the fourth Tokyo International Conference on African Development (TICAD IV) Yokohama Action Plan (2008).</p> <p>&lt;Evaluation Result&gt;</p>

<sup>1</sup> In local level, a focal point of IPEME was appointed at Provincial Directorate of Industry and Trade (DPIC) at provincial level, and District Economic Activities Service (Serviço Distrital de Actividades Economicas SDAE) directly communicated with SMEs.

<sup>2</sup> Source: ODA Databook 2012

In light of the above, the relevance of the project is high.

## 2 Effectiveness/Impact

### <Status of Achievement of the Project Purpose at the time of Project Completion>

The Project Purpose was achieved at the time of project completion, as the CaDUP framework was established in Maputo, Gaza and Inhambane Provinces (indicator 1) and the framework was applied to Nampula and Manica Provinces (indicator 2).

### <Continuation Status of Project Effects at the time of Ex-post Evaluation>

Even after the project completion, the project effects have been maintained. The CaDUP framework established by the project has been continuously implemented along with IPEME, and this resulted to improve the performance of SMEs in target five provinces. This contributed to achieving the Overall Goal.

### <Status of Achievement for Overall Goal at the time of Ex-post Evaluation>

The Overall Goal was achieved. According to IPEME, DPICs and SDAEs, sales of SMEs supported during the project period (both partner SMEs and those who participated in training) and follow up activities, mainly in Maputo, Gaza and Inhambane provinces where the project were implemented by IPEME and JICAs project team under the CaDUP, increased. About effects of each activity, it is possible to witness differences between areas where the project was implemented by IPEME and JICA project team (Maputo, Gaza, Inhambane provinces) and where the project were implemented only by IPEME (Manica, Nampula provinces and districts covered by the follow up activities.) From the first scenario of the SMEs assistance package included support on packaging and labeling system, while on the second scenario were just training for DPICs, SDAEs and SMEs technician staff, no example of intervention on the product itself as well. In fact, the performance of the first group is higher than the second. The CaDUP model has been disseminated and monitored by using support kit and conducting field visit or OJT to support more SMEs. ALL SMEs have been keeping record of accountant activities from all visited districts namely Vandúzi, Manica and Barué districts from Manica province, Mogovolas and Mecubúri districts from Nampula province that are main target areas of the CaDUP project in each province, except for one SME in Nampula province.. Around 80% of SDAEs technicians and SMEs have been still keeping and using CaDUP kit and guides for business management (among five target provinces, Nampula Province and one district in Manica Province have not kept them).

Some noticeable efforts have been observed. In Gaza Province, DPIC has continued assisting SMEs to design layout and business card. In Maputo and Inhambane, DPIC and SDAE have been promoting the use of local content to minimize cost of production. In Manica, DPIC and SDAE have been conducting technical assistance to increase production for better incomes of SMEs. IPEME has continued training DPICs, SDAEs, and SMEs and having seminars on product development and marketing, trade fairs and product promotion etc. in Manica, Nampula and Niassa provinces.

IPEME developed two revisions of SME support kit and published them for DPICs and SDAEs after the completion of the project.

### <Other Impacts at the time of Ex-post Evaluation>

Although the project aimed to apply CaDUP framework in all 10 provinces as the Super Goal, it has been applied in six provinces at the time of ex-post evaluation. Other than the provinces covered by the project, IPEME has started to disseminate the model in Niassa Province. There is no plan for dissemination to other provinces for the time-being.

According to IPEME, DPICs and SDAEs, no negative impact on the natural environment by this project has been observed, and no land acquisition and resettlement occurred.

### <Evaluation Result>

Therefore, the effectiveness/impact of the project is high.

### Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results
(Project Purpose) CaDUP implementation procedures and structures for Mozambique are well established in the target areas.	Indicator 1: The CaDUP framework (*) is established in Maputo, Gaza and Inhambane Provinces.  (*the CaDUP framework” means the CaDUP implementation system which is indicated in the CaDUP guideline.)	Status of the Achievement: achieved (Project Completion) Through the implementation of all the outputs of the project, the implementation flow was adjusted and the implementation structure including tool was constructed and specified in the CaDUP Guideline. In the three provinces, the CaDUP Program is being implemented and disseminated according to the Guideline.
	Indicator 2: The established CaDUP framework is applied to Nampula and Manica provinces with initiative of IPEME.	Status of the Achievement: achieved (Project Completion) -By making use of the SME Support Kit, Nampula and Manica Provinces were providing support to SMEs under the CaDUP framework under the strong leadership of DPICs. - In Nampula Province, five target districts were selected and the sharing of knowledge and experience was underway to all 23 districts using the opportunities of meetings. Also, capacity of building session was held targeting the directors and technicians of SDAEs and SMEs. - In Manica Province, four target districts were selected and technicians at the SDAEs started support to SME using the SME Support Kit. So far, 20 SMEs were supported under the CaDUP framework

(Overall Goal)By deepening and disseminating CaDUP program, business of targeted SMEs are maintained or developed in the target areas.	Indicator 1: Performances of the SMEs such as bookkeeping and sales supported by CaDUP program are improved in Maputo, Gaza, Inhambane, Nampula and Manica Provinces	(Ex-post Evaluation) achieved		
		Province	(a) Performance of the companies supported by the CaDUP program	(b) Activities to support SMEs by the CaDUP program
		Maputo (8 districts)*	14 SMEs in two districts(Namaacha and Manhica)perform well.	CaDUP model was extended to six districts including the pilot sites under the project
		Gaza (14 districts)	8 SMEs in one district (XaiXai) perform well.	Dissemination and monitoring of CaDUP model have been carried out in five districts to cover 75 SMEs.
		Inhambane (14 districts)	9 SMEs in two districts (Inhambane and Inharrime) perform well.	Dissemination and monitoring of the model have been conducted in seven districts to cover 38 SMEs through explanation to use support kit.
		Nampula (23 districts)	5 confirmed SMEs from Mogovolas, Muecate and Mucuburi district are performing well.-	IPEMEDisseminated the model in three districts using support kit to cover 18 SMEs.
		Manica (12 districts)	8 SMEs in two districts (Barue and Manica) are performing very well out of 10 SMEs which was introduced CaDUP model by the support of IPEME and DPIC (10 were selected from 31 SMEs diagnosed).	IPEME conducted monitoring activities to emphasize the understanding and engagement on the project model in three districts.
*Number in the parenthesis is the number of all districts in each province.				

Source : Questionnaire and direct interview with IPEME, SDAEs (in Manica, Nampula, Niassa), DPICs (in Manica, Nampula, Niassa), Questionnaire and telephone interview with SDAEs (in Maputo, Gaza, Inhambane),DPIC (in Maputo, Gaza, Inhambane)

### 3 Efficiency

Both the project cost and project period exceeded the plan (ratio against the plan: 111%, 104%). The outputs were produced as planned. Therefore, the efficiency of the project is fair.

### 4 Sustainability

#### <Policy Aspect>

In the draft of Strategy for The Development of Small and Medium-Sized Enterprises in Mozambique (2007–2022), promotion of industrialization and rural economic specialization (development of the value chains of products considering the specialization needs of each province.) for SMEs through CaDUP methodology is mentioned.

#### <Institutional Aspect>

IPEME is an institute under the Ministry of Industry and Trade (MIC), the management of which is independent financially and in decision making. MIC has Provincial Directorate of Industry and Trade (DPIC) at provincial level, and a focal point of IPEME is appointed at each DPIC, which has the role of connecting central level and district level. At district levels, SDAE plays an important role in CaDUP activities, directly communicating with SMEs. SDAE is under Ministry of State Administration and Public Service, and has various tasks other than CaDUP.

The organizational structure of IPEME has been functioning; however, IPEME has been facing difficulties in coordinating with local government (DPICs and SDAEs) for dissemination. IPEME is considering involving more stakeholders on the program particularly agricultural sector and administrator of local government to support SDAEs in promotion of the model. DPICs and SDAEs have been thinking that the project only belongs IPEME. It is found that technicians of some DPICs move to another districts without handover of the CaDUP related tasks to successors, which can be threat to the sustainability of the effects of the project.

The number of technical staff in DPICs and SDAEs has not been sufficient for implementation of the model. Those institutions have had regular activities, and it seems that the technicians have been always working for their institutional task and not for CaDUP. The number of staff at IPEME has been sufficient.

#### <Technical Aspect>

IPEME has had sufficient skilled technicians with enough tools to continue disseminating the CaDUP program. IPEME has integrated CaDUP methodology in all new projects that aim to support SMEs. Manual used is CaDUP support kit and this is used during assistance of SMEs on how to control and record total production (product or monetary production) and expenditures on business management. Also it is used to explain technicians about what they have to teach SMEs.

The skill level of staff from central to local levels is judged sufficient to promote and mainstream CaDUP approach as evidenced by continued training and seminars on product development and marketing, trade fairs and product promotion etc. in Manica, Nampula and

Niassa provinces, as mentioned above. However, the results of interviews revealed that more training (for updating the skills) are needed by SDAEs to respond to staff replacement made by local government. There are some concerns. In Nampula Province, during survey, the ex-post evaluation mission found out that in Mogovolas District there were no support kit and trained technician, with those who were trained moved to other district by position rotation, and the same situation are found in Vanduzi District in Manica Province. According to the interviews with DPICs in Maputo, Gaza and Inhambane, the situation there were fewer cases of replacement.

As Mozambique has faced economic crisis since 2016, IPEME as well as DPIC and SDAE have faced limitations for allocating budget for CaDUP activities.

In light of the above, some problems have been observed in terms of the institutional, technical and financial aspects of the implementing agency. Therefore, the sustainability of the effectiveness through the project is fair.

The project achieved the Project Purpose at the project completion, as the CaDUP framework was established in Maputo, Gaza and Inhambane Provinces and the framework was applied to Nampula and Manica Provinces. The Overall Goal has been achieved because there are cases that performance of SMEs that participated in the CaDUP program have improved. As for sustainability, some problems have been observed in terms of the institutional, technical and financial aspects of the implementing agency. However, there has been no problem in terms of the policy aspects. As for efficiency, both project cost and project period exceeded the plan.

### III. Recommendations & Lessons Learned

The ownership of CaDUP model by district level authorities is low. For further expansion and sustainability of the CaDUP model, it is necessary to integrate CaDUP for other sectors such as agriculture and financing. Also, it is recommended to strengthen collaboration with SDAEs and DPICs by holding regular liaison meetings, etc. so that local level is able to have initiatives to continue CaDUP activities. Trainings to respond local government staff replacement and mechanism to ensure the handover of CaDUP task are recommended.

When developing tools, heavy inputs from users resulted in the development of simple, practical and easy-to-use tools. Making SMEs support kit that can be easily understood and used by extension workers in the field helped spreading the model.

