

CR 2437 - MOZ.

Document of
The World Bank

FOR OFFICIAL USE ONLY

MICROFICHE COPY

Report No.: P- 5866-MOZ Type: (PR)
Title: CAPACITY BUILDING : PUBLIC SEC'
Author: PHILLIPS, H
Ext.: 37580 Room: J11003 Dept.: AF6PH

Report No. P-5866-MOZ

MEMORANDUM AND RECOMMENDATION
OF THE
PRESIDENT OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION
TO THE
EXECUTIVE DIRECTORS
ON A
PROPOSED CREDIT
OF SDR 10.9 MILLION
TO THE
REPUBLIC MOZAMBIQUE
FOR A
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

OCTOBER 29, 1992

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(July 23, 1992)

Currency Unit	= Metical (pl. Meticais)
1000 Meticais	= One Conto
USD 1.00	= MZM 2,809 (Secondary Market Exchange Rate)

FISCAL YEAR

Government Fiscal Year:	January 1 - December 31
School Year:	February 1 - December 31
University Year:	August 1 - June 30

ABBREVIATIONS AND ACRONYMS

BOM	Bank of Mozambique
CG	Consultative Group
DAF	Department of Administration and Finance
DANIDA	Danish International Development Agency
EEC	European Economic Community
FUNDAP	Foundation for the Development of Public Administration
IDA	International Development Association
IC	Comissao Inter Ministerial
INAJ	National Institute for Legal Assistance
LAC	Legal Assistance Component
MAE	Ministry of State Administration
MOJ	Ministry of Justice
MULEIDE	Women's Association for Law and Development
NORAD	Norwegian Agency for International Development
PCR	Project Completion Report
PPAR	Project Performance Audit Review
PPF	Project Preparation Facility
SIDA	Swedish Agency for International Development
UEM	Eduardo Mondlane University
UNDP	United Nations Development Project
WG	Working Group

REPUBLIC OF MOZAMBIQUE
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

CREDIT AND PROJECT SUMMARY

Borrower: Republic of Mozambique

Beneficiaries: Ministry of Justice, Ministry of State Administration

Amount: SDR 10.9 million (US\$15.5 million equivalent)

Terms: Standard, with 40 years maturity

Financing Plan:^{1/}

Government	US\$ 2.0 million
IDA	US\$15.5 million
TOTAL	<u>US\$17.5 million</u>

Economic Rate of Return: Not applicable

Staff Appraisal Report: None^{2/}

Map: IBRD No. 23687

^{1/} Includes taxes and duties of US\$1.3 million.

^{2/} Staff Appraisal Report (No. 10731-MOZ), describes the companion operation, *Capacity Building: Human Resources Development Project*. Many of its annexes provide useful additional information to this report.

**MEMORANDUM AND RECOMMENDATION OF THE PRESIDENT
OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION
TO THE EXECUTIVE DIRECTORS
ON A PROPOSED CREDIT
TO MOZAMBIQUE
FOR A CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT**

1. The following memorandum and recommendation of a proposed credit to Mozambique for SDR 10.9 million, the equivalent of US\$15.5 million, is submitted for approval. The proposed credit would be on standard IDA terms with a maturity of 40 years and would help finance a capacity building: public sector and legal institutions development project.

2. **Background.** Economic and social development in Mozambique are impeded by severe shortages of high-level manpower to plan and manage policies and programs. These shortages result from a combination of weaknesses in education and training and in the public sector institutions that seek to recruit, retain, and utilize middle and higher-level personnel. There are only 3,000 university-level graduates in the entire country of 16 million persons, and less than half of these graduates possess the required skills (e.g., in finance, economics, law, business management, public administration, etc.) to oversee the ongoing Economic and Social Rehabilitation Program. At Eduardo Mondlane University (UEM), both quality and efficiency of learning are being seriously hampered by attrition and demoralization of the local teaching staff, lack of textbooks and library materials, poor study and living conditions for students, and deficiencies in university management. Because of these factors, the drop-out rate is unacceptably high (half the entering students never finish their degree), and many graduates lack the skills needed by employers. Due to poor working conditions and staff attrition, the University is unable to realize its potential as a fulcrum for policy research and analysis. In upper secondary education, weaknesses in teaching and availability of textbooks and learning materials are resulting in poor student learning achievements; repetition rates are high (25-30% annually), and graduates are unprepared for university study or to enter the labor force as productive workers.

3. Many top civil servants are fleeing the public sector to join the private sector and international agencies, because of low pay and poor conditions of service in government. Nearly 4,000 foreign technical assistance personnel have been recruited to cover this critical manpower shortage: such expatriate personnel is costly (about US\$200 million annually), is often badly-managed, and fails to transfer knowledge and skills to local counterparts. A large share of Mozambicans who remain in the Government have inadequate educational qualifications and skills. Less than a fifth of the top 3,000 officials have a university degree, a surprising 16% have no formal schooling at all, and few senior civil servants have received pre-service or in-service training in public administration, financial or personnel management, etc. In both public and private sectors, the situation of the legal profession is especially critical: there are only 90 lawyers in Mozambique, and shortages of judges, law clerks, and other legal workers are equally severe. The basic court system is barely functioning, and many important legal institutions (e.g., Bar Association, Administrative Tribunal) are either embryonic or non-existent.

4. The proposed project is based on the analysis and recommendations contained in the Bank's 1991 Capacity Building Framework Paper and Sector Report. It also utilizes the findings of recent studies on public pay and employment and local government; work done by the Government (under the auspices of the UNDP NatCAP Program) on improving the utilization of technical assistance; and the UEM's 1991 institutional stabilization plan. The project has been designed to complement and reinforce a companion IDA project, focussing on Human Resources Development

with investments in the University and upper-secondary education, and a number of other donor-financed initiatives, including SIDA support for public administration and a salary incentive fund for top-level civil servants.

5. **Project Objectives.** The project's main objective is to build and maintain capacity in key public institutions and skill areas by expanding the supply of well-trained senior planners, policy analysts, managers, and technicians, and by enhancing pay and other incentives and conditions of employment for senior civil servants. Specific objectives include: (a) strengthening legal institutions and professional capabilities, and (b) developing public administration and management skills and enhancing civil service personnel systems.

6. **Project Description.** The proposed project will contribute to building capacity in Mozambique through the following two components: (a) **Strengthening Legal Institutions** - implementation of a long-term strategy to strengthen legal institutions and expand legal education; pre-service and in-service training for lawyers, magistrates, and other legal workers; and creation of computerized legal data bases and library collections (53% of project costs); and (b) **Improving Public Administration and Development Management** - establishment of a Ministry of State Administration (MAE) planning unit to formulate civil service reform policies and oversee their implementation; technical assistance and training to support ongoing improvements in public sector personnel management (job grading, recruitment and promotion, career structures, training for professional growth); monitoring and coordination of an incentives scheme for senior civil servants to be financed by donors; and creation of a fund for in-service training in public administration and management (47% of project costs). The project costs and financing plan are presented in Schedule A. Schedule B provides the procurement methods and disbursements by fiscal year as well as the estimated disbursements for the project. A timetable of key project processing events and the status of Bank Group Operations are given in Schedules C and D respectively. Institutional background and a detailed description of the project is attached as a Technical Annex.

7. **Project Implementation.** Managers have been identified for each of the main components, and are located within the Ministry of Justice, and MAE, respectively. These managers will assign direct implementation responsibility to existing administrative units (e.g., UEM Law School, legal NGOs, training facilities) and will assist with day-to-day activities and monitor results. An inter-ministerial committee, presided over by the Minister of State Administration, with the Minister of Planning and the Minister of Finance acting as co-presidents, will be responsible for ensuring consistency and strengthening linkages among the four components of the project and for reinforcing ties with the companion Capacity Building Human Resources Development Project.

8. **Project Sustainability.** Within the project, virtually no new Government posts will be created, and as there are no civil works in the project, with investments concentrated in the provision of technical assistance and training, recurrent costs for operation and maintenance are minimal. In addition to being internally sustainable, the goal of the project itself is to improve the institutional and financial sustainability of other development activities in Mozambique. The thousands of trained Mozambicans who will benefit from the project, and the more effective public and private institutions that will emerge, will help to sustain future development.

9. **Lessons Learned from Previous IDA Involvement.** While no PCR/PPAR has been carried out on IDA assistance to education or public administration in Mozambique, a joint IDA-Country Implementation Review held in February 1991 revealed a number of generic lessons for the future. Some of the most important are that: (a) dynamic local involvement is fundamental to achieving project objectives; (b) strong donor coordination during project preparation helps to avoid

duplication/gaps in effort and reduces the management and reporting burden on local institutions; (c) streamlining Government procedures for contracting TA and civil works can facilitate project implementation, as can the use of standard bidding documents; and (d) project coordination and management systems need to be firmly established at the outset and strengthened continuously through appropriate staffing, in-service training, and use of local consultants. These lessons and others have been fully incorporated in the design of the proposed project, which was formulated by the Mozambican institutions which will be responsible for implementation. Standard contracts for goods and services have all been prepared in advance of project effectiveness.

10. **Rationale for IDA Involvement.** The proposed project springs from the core of our Mozambique country strategy, which emphasizes the development of institutions and skills for sustained growth. The continued restructuring and liberalization of the economy, the achievement of durable peace and internal security, and implementation of effective resettlement/rural development and poverty alleviation programs will all require greatly enhanced indigenous capacity. The seriousness of the current "crisis of capacity" demands bold and imaginative solutions backed by substantial resources from the donor community. Given IDA's current position in Mozambique as the major lender for structural reforms, and its heavy involvement in economic and sector analyses of capacity issues, IDA is well-placed to take the lead in this area.

11. **Agreed Actions.** During negotiations, the Government has given assurances that: (i) not later than October 1993, and each year thereafter, annual progress and audit reports on the salary incentive fund would be submitted to IDA; (ii) not later than December 31, 1994, MAE's draft plan for the restructuring of the civil service career system would be submitted to IDA; and (iii) not later than November 30 of each year a joint project implementation review would be carried out and a mid-term review by November 30, 1993/. Conditions of effectiveness are (a) Key project implementation staff are employed; (b) The Project Advisor for the legal component has been selected, with experience and qualifications satisfactory to the Association; and (c) that Government has furnished documentary evidence satisfactory to the Association, certifying Government's formal approval of its Capacity Building Action Plan. Conditions of disbursement for training will be the completion and approval by IDA of training programs for the first year of the Project, which shall include, inter alia, the following: (a) type and number of trainees; (b) location and institution where training will be received; (c) objectives and length of training activity; and (d) estimated budget.

12. **Environmental Rating.** The project is rated Category C.

13. **Program Objectives.** Capacity building in Mozambique will expand significantly the supply of higher level human resources, which is a necessary condition for the achievement of all IDA program objectives. The proposed project also contains special measures to further the process of public sector reform, and to increase women's educational opportunities and participation in the legal profession.

14. **Benefits.** The proposed project will make a substantial contribution to social and economic development in Mozambique, by enhancing critical skills, systems, and local institutions. Several thousand legal workers will receive additional training and will be able to participate more effectively in the reformed and revitalized legal system. Development policy analysis by local

3/ Together with the companion operation (*Capacity Building: Human Resources Development Project*).

institutions, including the University and government policy units, will improve substantially. In a larger sense, the country as a whole will benefit from stronger public and private sector performance.

15. **Risks.** The main risk facing the project is that the capacity to plan and manage implementation of the various project components will not materialize or will deteriorate over time. This risk will be mitigated through project design that emphasizes the same capacity building and sustaining measures that the project aims to spread throughout the economy: namely, creating an effective work environment (through appropriate staffing, availability of office technology, etc.) and offering stimulating and relevant training (pre-service, in-service, on-the-job) to key project personnel. Swift adoption of measures to improve incentives for senior officials will help to bolster implementation capacity. The capacity of local training institutions will also be increased through the use of "link" arrangements with external training programs.

16. **Recommendation.** I am satisfied that the proposed loan would comply with the Articles of Agreement of the Association and recommend that the Executive Directors approve the proposed loan.

Lewis T. Preston
President

Attachments

Washington, D.C.
October 29, 1992

MOZAMBIQUE
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

Estimated Costs and Financing Plan

Estimated Costs a/

Project Components	Local	Foreign	Total
	----- (US\$ million) -----		
I. Legal Institutions			
A. Strategic Planning	0.18	0.62	0.80
B. Legal & Paralegal Services	0.85	2.76	3.61
C. Dissemination of the Law	0.20	0.73	0.93
D. Institutional Development	0.14	0.47	0.64
E. Project Implementation	<u>0.28</u>	<u>0.97</u>	<u>1.25</u>
Subtotal	1.65	5.57	7.22
II. Public Administration and Management Development			
A. MAE Planning Unit	0.12	0.46	0.58
B. Personnel Administration	0.41	1.39	1.80
C. Management Strengthening Fund	0.15	2.85	3.00
D. MAE Institutional Strengthening	<u>0.20</u>	<u>0.88</u>	<u>1.08</u>
Subtotal	0.89	5.57	6.46
Total Base Cost	2.54	11.15	13.68
<u>Contingencies</u>	<u>0.82</u>	<u>3.00</u>	<u>3.83</u>
<u>Total Project Cost</u>	<u>3.36</u>	<u>14.15</u>	<u>17.51</u>

a/ Includes US\$1.3 million equivalent in taxes and duties.

Financing Plan

	Local	Foreign	Total
	----- US\$ million) -----		
Government b/	1.65	0.35	2.00
IDA	1.71	13.80	15.51
<u>Total</u>	<u>3.36</u>	<u>14.15</u>	<u>17.51</u>

b/ Government's contribution includes about US\$1.3 million equivalent in taxes and duties.

MOZAMBIQUE
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

Procurement Method and Disbursements

**Procurement Method a/
(US\$ million)**

Project Element	ICB	LCB	Other	Total Cost
1. Furniture, Equipment, and Supplies	0.5 (0.5)	0.0 (0.0)	0.4 b/ (0.4)	0.9 (0.9)
2. Consultant Services			4.8 (4.3)	4.8 (4.3)
3. Training			10.5 (10.3)	10.5 (10.3)
4. Incremental Operating Costs			1.3 (0.0)	1.3 (0.0)
TOTAL	0.5 (0.5)	0.0 (0.0)	17.0 (15.0)	17.5 (15.5)

a/ Figures in parentheses indicate the amounts to be financed by IDA.

b/ Includes direct contracting.

Allocation and Disbursement of IDA Credit

Disbursement Category	IDA Allocation (US\$ million)	% of Expenditure to Be Financed
Part A: Improving Public Administration and Development Management		
1. Technical Assistance, Studies and Audits	1.8	100% of total expenditures;
2. Equipment, Supplies, and Materials	0.2	100% of total expenditures;
3. Training	3.4	90% of total expenditures;
Part B: Strengthening of Legal Institutions		
4. Technical Assistance, Studies and Audits	2.0	100% of total expenditures;
5. Equipment, Supplies, and Materials	0.7	100% of total expenditures;
6. Training	4.0	90% of total expenditures;
7. Unallocated	3.4	
TOTAL	15.5	

Estimated Disbursements

IDA Fiscal Year	93	94	95	96	97	98	99
IDA Annual	1.1	1.6	2.8	3.8	2.8	2.2	1.2
Cumulative	1.1	2.7	5.5	9.3	12.1	14.3	15.5

SCHEDULE C

MOZAMBIQUE
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

Timetable and Key Processing Events

(a)	Time taken to prepare:	12 months
(b)	Prepared by:	IDA (AF6PH) (LEGAF) a/
(c)	First IDA mission:	April 1991
(d)	Appraisal Mission	April 1992
(e)	Negotiations:	July 1992
(f)	Planned Date of Effectiveness	February 1993
(g)	List of Relevant PCRs and PPARs:	None

a/ Jacomina de Regt and Robert M. Hecht, Task Managers; Ruthanne Deutsch, Economist; William Saint, Educator; Teresa Genta-Fons, Lawyer

SCHEDULE D
Page 1 of 2

MOZAMBIQUE
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

Status of Bank Group Operations in Mozambique

A. Statement of IDA Credits
(as of July 30, 1992)

Loan or Credit No.	Fiscal Year	Borrower	Purpose	Amount in US\$ million (less cancellations)		Undis- bursed	Closing Date
				Bank	IDA		
Credits							
2 Credits(s) closed					114.55		
C18060-MOZ	1987	MOZAMBIQUE	ENERGY TA & REHAB.		20.00	9.37	12/31/92
CA0330-MOZ(S)	1988	MOZAMBIQUE	REHAB.II		18.60	.17	06/30/91(R)
C19070-MOZ	1988	MOZAMBIQUE	EDUC. I		15.90	7.95	12/31/95
C19490-MOZ	1989	MOZAMBIQUE	URBAN REHAB		60.00	30.50	12/31/95
C19890-MOZ	1989	MOZAMBIQUE	HEALTH & NUTRITION		27.00	25.52	12/31/94
C20210-MOZ(S)	1989	MOZAMBIQUE	REHAB.III		90.00	3.18	04/30/93(R)
C20330-MOZ	1989	MOZAMBIQUE	HOUSEHOLD EGY CREDIT		22.00	19.05	12/31/96
C20850-MOZ	1990	MOZAMBIQUE	TRANS.REH.(BEIRA CORR		40.00	33.67	06/30/96
C20860-MOZ	1990	MOZAMBIQUE	ECON. & FIN. MGMT.		21.00	20.96	12/31/97
C20810-MOZ	1990	MOZAMBIQUE	INDUSTRIAL ENTERPRIS		50.10	54.06	12/31/97
C20820-MOZ	1990	MOZAMBIQUE	SMALL AND MEDIUM-SCA		32.00	32.37	12/31/96
C21750-MOZ	1991	MOZAMBIQUE	AGRI.REHAB.&DEV		15.40	15.16	06/30/99
C22000-MOZ	1991	MOZAMBIQUE	EDUCATION II		53.70	53.52	04/30/97
C23370-MOZ	1992	MOZAMBIQUE	AGR.SER. REHAB.		35.00	37.46	
* C23740-MOZ	1992	MOZAMBIQUE	FIRST ROAD & COASTAL		74.30	78.24	06/30/98
* C23840-MOZ(S)	1992	MOZAMBIQUE	ECON. RECOVERY CR.		180.00	190.90	06/30/95
TOTAL number Credits = 16					755.00	612.07	
TOTAL*** of which repaid					869.55		
TOTAL held by Bank & IDA Amount sold of which repaid					869.55		
TOTAL undisbursed						612.07	

Notes:

- * Not yet effective
- ** Not yet signed
- *** Total Approved, Repayments, and Outstanding balance represent both active and inactive Loans and Credits.
- (R) indicates formally revised Closing Date.
- (S) indicates SAL/SECAL Loans and Credits.

The Net Approved and Bank Repayments are historical value, all others are market value.

Remarks on Disbursements

The disbursement lags being experienced are the result of the Bank of Mozambique centrally managing the accounts for projects implemented by various ministries, and the Ministry of Finance's cumbersome clearance procedures. Cross sectoral actions were taken in FY92 with an agreement by the Government to decentralize financial management of sectoral project accounts and streamline Ministry of Finance procedures. These two aspects also formed the main focus of the Country Implementation Review which was held in October 1992. Workshops will be held during FY93 covering project accounts, audit reporting, procurement, and disbursements.

MOZAMBIQUE
CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

B. Statement of IFC Investments
(as of July 31, 1992)

<u>Investment Number</u>	<u>Fiscal Year</u>	<u>Obligor</u>	<u>Type of Business</u>	<u>Loan</u>	<u>Equity (US\$ million)</u>	<u>Total</u>
864-MOZ	1987	LOMACO	Food/Food Processing	2.5		2.5
978-MOZ	1988	Xai Oil	Chemical/Petrochemical		7.8	7.8
Total Gross Commitments				2.5	7.8	10.3
Less: Cancellations, terminations, exchange adjustments, repayments, write-offs and sales				1.5	7.8	9.3
Total Commitments held by IFC				1.0	0.0	1.0
Total Undisbursed				0.0	0.0	0.0
Total Disbursed				1.0	0.0	1.0

TECHNICAL ANNEX TO THE
MEMORANDUM AND RECOMMENDATION OF THE PRESIDENT
FOR A CAPACITY BUILDING: PUBLIC SECTOR AND
LEGAL INSTITUTIONS DEVELOPMENT PROJECT

I. Low Capacity: Causes and Issues

A. Introduction

1. Mozambique is facing a severe crisis of capacity. There is an extremely serious shortage of well-educated and experienced Mozambicans who can assist in the planning and management of both public and private sector activities vital to the country's progress in the economic and social spheres. The handful of Mozambicans who are capable of providing leadership in these areas are being siphoned off to the private sector, because the civil service is increasingly unable to compete with private institutions in terms of pay, conditions of employment, and work environment. The Government is relying more and more on costly expatriate technical assistants, who are frequently poorly-managed, less productive, and relatively ineffective in building up local skills and institutions. All of these trends undermine severely the ability of Mozambican institutions, especially in the public sector, to carry out the Economic and Social Rehabilitation Program (ESRP), effect the transformation of the economy from a centrally-administered to a market system, design and implement key development projects - and ultimately, improve the lives of Mozambique's 16 million people, many of whom are living in abject poverty.

2. To deal systematically with this crisis of capacity and elicit new policy and programmatic responses to the problem, the Government requested the World Bank (in conjunction with the Swedish Agency for International Development (SIDA)) in December 1990 to collaborate in carrying out a study on capacity building. Two documents emerged from this collaboration: (a) a shorter Capacity Building Framework Paper, discussed extensively with the Government and donor community and presented to the Mozambique Consultative Group (CG) in December 1991; and (b) a longer, more in-depth Capacity Building Sector Study, completed in October 1991 and widely disseminated within Mozambique and to the donors. During the CG, the Government proposed to further refine the framework paper into a Capacity Building Strategy and Action Plan and present these in a meeting with donors. An outline of the strategy was completed prior to negotiations, the complete strategy and a letter from Government declaring its commitment to said strategy will be presented to IDA before Board approval. It is expected that the donor meeting would take place in November 1992, and formal approval of the Capacity Building Action Plan would be a condition of effectiveness.

3. In both documents, five main causes for weak development capacity were documented and analyzed: lack of incentives and productive institutional structures, procedures, and practices, especially in the public sector; insufficient quantity and quality of university graduates, research, and other contract services; poor quality of upper secondary education; low quality, relevance, and cost-effectiveness of various types of vital professional training for Mozambique's future development (such as economics, finance, law, accountancy, and public administration); and the sub-optimal use of technical assistance to build indigenous long-term capacity.

4. In the second half of 1991, the Government also requested the Bank to work closely with it in preparing proposals, eligible for IDA financing, which would respond to some of the weaknesses identified in the two capacity-building studies. The proposals would be part of a wider capacity building "program" consisting of a large number of donor-assisted projects in the areas of education, training, civil service reform and public administration, and private sector management strengthening. These efforts include a major SIDA-financed public administration reform project; a salary incentive fund for senior civil servants to be supported by Switzerland, Norway, and others; USAID and DANIDA support to the legal sector; EC financed training programs in public administration; and UNDP-led efforts to improve the management of foreign technical assistance.

5. The proposed project as well as the proposed IDA financed companion project, focussing on human resources development (Staff Appraisal Report No. 10731-MOZ) is therefore part of a much broader effort to maintain and expand local capacity to plan and manage Mozambique's development. The proposed project responds to the need to improve the "demand" side: incentives and conditions of employment and professional training, both pre- and in-service. While, the companion project will attempt to respond directly to two other dimensions of Capacity Building, by supporting Government and donor efforts to increase significantly the "supply" of trained and qualified policy analysts, planners, managers, and technical specialists for the public and private sectors of the economy. It is expected that, as a result of the two projects, thousands of additional Mozambicans will be trained in key professional domains, and that concurrent actions in the areas of public pay and employment and the reform of public institutions and in the management of technical assistance will encourage these Mozambican professionals to join and remain in civil service careers.

6. In the sections that follow, the current state of institution building/training in law and public administration are examined. A similar analysis of the current state of university and upper secondary education is contained in the Capacity Building Human Resources Development Project Staff Appraisal Report. Their links to capacity-building, key outstanding issues, strategy considerations, and other ongoing initiatives to improve the supply of high-level manpower, are also discussed.

B. Legal Institutions and Training

Background and Issues

7. **The Legal Framework** During the colonial period, no law school existed in Mozambique and the few lawyers within the country were either Portuguese nationals or Mozambicans trained in Portugal. At the time of independence, the flight of judges, lawyers and law clerks left only 25 lawyers in the country. This lack of qualified persons hindered the formulation of new laws and the Portuguese legislation was retained, although former legislation considered contrary to the 1975 constitution was to be treated as automatically revoked. As of today, the Mozambican legal framework is composed of old Portuguese codes, decrees enacted after independence and recent legislation all applied in an uncoordinated manner.

8. The 1990 Constitution and the 1991 private sector development legislation envision a democratic pluralistic society and a free-enterprise system. No market economy can operate without an extensive underpinning of private law. Modern legislation on fundamental matters, inter alia, international trade, company structure, corporate finance, tax regulations,

administrative law, bankruptcy law and business law needs to be enacted. To effectively implement such a extensive legal reform, a strong and well educated legal profession needs to develop in Mozambique. Moreover, these laws will be meaningless unless a competent judiciary is established and appropriate mechanisms are put in place to efficiently enforce and disseminate the law.

9. **The Legal Profession** Currently there are about 90 fully qualified lawyers in Mozambique to serve a population of 16 million. 27 of these lawyers are female professionals. Initial assessments provided by the Law School estimate that approximately 1200 graduates would be needed by the year 2000 to fulfill the need of legal services demanded by both government and private sector, although it would be very difficult to accomplish this ideal goal. The legal work of the nation is carried on by three different groups. First are the "advogados" who qualify for this title, after becoming a "licenciado"; there is one woman "advogada". Under the proposed Bar Association regulations, the licenciado would have to complete a one year "estagio" (internship or practical training at a government agency.) "Licenciados" are those having completed the full 5-year law school course. Second, there is a group referred to as "tecnicos juridicos" who have finished a portion of law school sufficient to obtain a degree of "bacharel en direito" and their practice is limited to the lower courts. Finally, the "assistentes juridicos" have normally completed high school and a practical training course ranging from three to six months.

10. Besides lawyers, legal services in Mozambique are performed by a variety of professionals. First, there is a vast group of paralegal staff working in the administration and the judiciary, lacking essential legal skills. Second, "notarios" enforce legal requirements that various acts and documents be notarized and "conservadores" maintain updated registries. At present, the educational programs for the profession of notary have not been clearly established. Third, a significant number of government employees, with no formal training in law, must of necessity deal with legal matters.

11. **The Judiciary** Under the post-independence system of justice, considerable discretion and power was placed in the procurador and the investigatory competence of trial judges. The shortage of legal personnel made the revamping of the court system a difficult task. However, until 1977, a few Portuguese judges remained in Mozambique under a bilateral agreement between FRELIMO and Portugal. By 1978, the Ministry of Justice (MOJ) had created a national court system, guided by the broad principles of popular justice that FRELIMO had originally formulated. Judges' decisions were largely based on common sense and the general notions of justice set forth in the constitution. In communal villages, the local tribunals were entirely composed of lay judges with no legal training. In some provinces, (e.g., Nampula), there is only one judge.

12. The Instituto Nacional de Assistencia Juridica (INAJ) was created by the government in 1986 to organize, control and monitor legal services. INAJ maintains a list of legal technicians from which the public can select a legal representative. The INAJ list contains 42 advogados (of which only 20 are litigators); 40 tecnicos juridicos and 12 assistentes juridicos. The Bar Association is only just created (early 1992), there is no program for continuing legal education, nor any statutory requirement for updating legal knowledge and skills. In May 1991, INAJ convoked the first extraordinary session of its general assembly to consider a draft statute creating a national Bar Association (ordem dos advogados moçambicanos). This statute would limit the admission to the bar, establish ethical standards, and impose sanctions for violations. In the past, only INAJ could provide legal services to the public. Now it is intended that the private Bar Association will function alongside INAJ. MULEIDE, the Women's Association for Law

and Development, has been established, as a private organization, to improve the situation of women through studies, legal assistance and civil education. In August, 1992, MULEIDE opened a small office to provide legal services to poor women and to advance the equality of women.

13. In 1989, the Supreme Court was made a separate body from the Ministry of Justice. These two institutions joined efforts to start a one-year practical training program for magistrates. At present "licenciados" are not required to complete this training to become judges. In addition to the Supreme Court, the 1990 Constitution calls for the establishment of an independent judiciary and a new Administrative Tribunal to hear and decide claims against the State. Other specialized courts (e.g., Labor, Tax, Maritime) may be created in the future. Recent legislation has been enacted defining the institutional aspects of the administration of justice. The "Lei Organica dos Tribunales Judiciais" of March 1992 calls for the following courts: the Supreme Court; provincial courts, and district courts. Simultaneously, the Assembly of the Republic enacted the "Lei dos Tribunais Comunitarios", establishing a community court system with jurisdiction over small claims, family disputes, and minor misdemeanors. Copies of legislation can be found in the Project file.

14. The "Procurador Geral da Republica" (Attorney General) is responsible for determining the "legality" of legislation. The Attorney General's office is further obligated to defend the juridical order and to see that laws are enforced. The Attorney General's office has only 70 professional staff for the entire nation, of which only four are licenciados. Eight of these procurators are female. This lack of personnel burdens these professionals who must take responsibility for districts other than their own. The situation is worsened by the lack of transportation and insufficient budget for lodging.

15. The Ministry of Justice is responsible for the revision, streamlining and drafting of legislation in Mozambique. This comprehensive task is further aggravated by the fact that many of the nation's laws and regulations have been written by non-lawyers and existing jurists have little experience in legislative drafting. To assist the Ministry of Justice in undertaking this responsibility, there is a technical council composed of four, full-time paid lawyers, and four part-time paid jurists. Moreover, there is only one attorney in the division of research and legislation. The notarial registry office does not have lawyers. "Notarios" and "conservadores" play a fundamental role in the Mozambican economy by certifying and registering property rights and titles. Clear ownership of property is a key aspect of any market economy. Another area of concern of the Ministry is the design and implementation of training of professional and in-service training of legal staff and court officials.

16. Legal Training The nation's law school at the Eduardo Mondlane University opened after independence in 1975. In March 1983, the school was closed. Some believed that the law school was a center for reactionaries, but other factors played a more significant role in the decision to close it down. Neither the original curriculum patterned after the Portuguese model, nor the later socialist-oriented curriculum, equipped lawyers to meet the needs of the Mozambican society, and a decision was made to close the school until the curriculum could be revised. It was finally reopened in August 1987.

17. The latest curriculum, implemented in 1991, aims at providing a well-rounded modern legal education in the neo-roman Civil Law tradition. The first two years, as is typical of Civil Law education, largely concentrate on social sciences with the bulk of the technical juridical subjects left to the last three years. Several aspects of this curriculum are noteworthy. The

requirement for two years of Portuguese and English reflects the Mozambican reality where qualified jurists will, in the future, often need to work in both these languages. The program appears to provide a good general background in the domestic area -- both for civil and criminal law. Mozambique may be a leader among developing nations in making tax and tariff law a mandatory course. The requirement for three international subjects -- public international law, private international law and international economic law -- is both unusual and admirable, as is the compulsory introduction to a computer course. While the proposed curriculum is praiseworthy, it is questionable whether the Law School has the necessary human and material resources to carry it out. The curriculum is once again under review; however, the changes anticipated are minor, such as adding a requirement for a course in "Legal Writing and Research".

18. The Law School currently has 435 students, of which 72 are women, with the entering class of school year 1991-92 numbering 100. University teachers are divided into five categories: professores catedraticos, associados, auxiliares and assistentes primeiros and segundos. The entire teaching corps does not include a single catedratico and is composed of 8 full-time and 33 part-time professors, the student-teacher ratio is 1:17. There are only seven women teachers at the Law School. Two-thirds of the students work and study only part-time; one third are full-time students. The Law School has three classrooms for 200 students each, and 7 classrooms which hold 35 students each. Registration has not been computerized and there are only eight administrative employees and one documentation technician. There are virtually no textbooks for the students and the law library resources are meager. There are no electives, no specialization and no graduate courses.

19. An initial needs assessment for the Law School was carried out in June 1991, with the assistance of a grant provided by SIDA. The report points out that the main obstacles faced by the Law School are: insufficient number of qualified professors; lack of strategic planning and modern pedagogical approach; lack of bibliography and updated legal materials; poorly trained staff; and non-existent career development plans for the teaching corps, including the provision of continuing education programs. There is consensus among all legal institutions that the need for short-term graduate training to update the knowledge of existing jurists is of utmost priority.

20. The lack of appropriate technical skills is aggravated by the isolation from other legal traditions in which the Mozambican professional operates. In short, today's lawyer has little experience in coping with the intricacies of international transactions or the complexities of financial and business legal issues. Coordination on this issue is essential, as the definition of common guidelines would maximize the donors' efforts and avoid burdening the weak Mozambican implementation capacity.

21. In summary, the main issues to be addressed by the project are that:

- (a) there is a severe shortage of lawyers in Mozambique.
- (b) the education and training of Mozambican lawyers has not prepared them to handle complex problems of international finance, investment and trade (e.g., some of the recent graduates have received all their legal training in Eastern Europe universities).
- (c) the few available lawyers are extremely overloaded, taking up government posts, case trials and other legal assistance tasks simultaneously.

- (d) the Mozambican legal profession needs assistance to adequately perform its work. Further resources are necessary to overcome the shortage of essential legal books and materials, as well as computerization to achieve greater efficiency in carrying out legal work.
- (e) the typical Mozambican lawyer is isolated and lacks professional contacts in other nations and therefore does not benefit from sharing the knowledge available from others. A similar situation appears to exist within the country where books, knowledge and experiences are not efficiently shared by legal professionals.
- (f) the lack of an association of lawyers, one of whose goals would be the creation of continuing education programs is of utmost importance to upgrade legal skills and facilitate professional exchanges.
- (g) the judiciary is poorly equipped, lacks basic professional skills and incentives to establish and maintain its independence.
- (h) the dissemination of the law and court decisions is very weak and there is no efficient system for the cataloguing and indexing of legal collections. Thus, legal professionals, common citizens and prospective investors do not have access to the legal framework in force. Compatible legal data banks and interlibrary loan systems are essential to facilitate sharing of professional knowledge.

22. Government Strategy for Strengthening Legal Services Aware of the magnitude of the structural weaknesses suffered by the legal profession and institutions, the Mozambican authorities have given special priority to the strengthening of legal services and to the definition of a strategy for the sector. The forum for the definition of said strategy was the PPF-financed seminar held in Maputo from February 17 - 21, 1992, where the role of the lawyer in a society under transformation and the needs for legal training were reviewed and agreed upon. As part of the government's strategy, the Ministry of Justice established as of December 20, 1991, in agreement with the Supreme Court, the Attorney General, the Administrative Tribunal and the Law School, a special working group (WG) composed of representatives of all mentioned institutions. The WG is responsible, inter alia, for defining the guidelines for the long-term strategy to build professional capacity within the legal profession and the judiciary, periodically updating them, and coordinating all existing and future donor contributions in the sector.

23. Other strategic measures taken by government include the recent approval of the Statute on judicial magistrates and the enactment of the framework law on the judiciary by the legislative assembly (see Para.12). Furthermore, draft legislation liberalizing the practice of law may be enacted in the near future. In the past, only INAJ could provide legal services to the public. Now, it is intended that the private Bar Association will function as a separate professional association and that INAJ continues to cater to the large majority of citizens who cannot afford to pay for legal fees.

24. In close coordination with the Supreme Court, the Ministry of Justice launched a pilot program of short-term practical training for magistrates, court clerks, and judicial administrators. Due to the satisfactory results of said program, MOJ has proposed to expand it and coordinate similar training carried out by other legal institutions under a single training facility. In defining the institutional and functional features of the Center for Judicial Studies (Centro de Estudos Judiciarios), other existing relevant models will be examined (eg. Portugal,

California, New Mexico). This Center is to coordinate such training. The proposed Center aims at ensuring the most efficient utilization of scarce resources, while harmonizing different training initiatives. Initially, the Center would provide pre-service training for magistrates and, at a later stage, to extend its future operations to include refresher courses for district judges and orientational practical courses to recent Law School graduates interested in pursuing a judicial career. Ultimately, all magistrates would receive one or two years of specialized training. During the 1992 Seminar, a policy decision on the roles of the Ministry of Justice and the Law School as training centers was reached and coordination mechanisms were designed and approved to avoid overlaps and conflicting curricula.

25. **Donor Involvement** The donor community has responded in a positive way to the urgent plea made by the Mozambican legal institutions. The WG's comprehensive program to strengthen legal capabilities, aims, not only at integrating the recommendations and results of ongoing assistance financed by other donors (e.g. DANIDA, USAID, SIDA, France, Portugal, U.K.'S Commonwealth Secretariat, Brazil, and the Friedrich Elbert Foundation), but also, at providing coordination mechanisms for future donor interventions. It is expected that the proposed project will develop local capacity to prioritize the multiple needs of the legal profession and to design and implement a well-rounded strategic program of actions. During the Appraisal Mission, two meetings were held with these other donors and the WG submitted a list of proposals for additional financing. The representative of the University of Lisbon, under the DANIDA agreement, joined the mission to further coordinate project implementation. In addition to the expected participation of donors at the annual workshop, joint progress reviews will be carried out to provide the forum for open exchanges among Mozambicans, the Bank and donors interested in the sector.

26. The USAID-financed "Mozambique democratic initiatives project" is intended, inter alia, to institutionalize an independent judiciary and promote the decentralization of government. Of the total US\$4 million provided to Mozambique approximately US\$500,000 have been earmarked to finance a legal sector survey and a legal sector action plan. Technical assistance in this area will be provided in two phases by a team of lawyers. To avoid overlapping and duplication of efforts between the Project and USAID assistance, the WG shared its program with the USAID team of consultants which visited Mozambique in May-June 1992. Other recent contributions include: a USAID US\$20,000 Grant to INAJ to disseminate civic education materials to the population and a US\$70,000 Grant by the U.S. Government to the Ministry of Justice to train 25 district and provincial judges. Under an initial NORAD grant, MULEIDE has started up a workshop.

27. The "Institutional Support to Teaching and Administration of Law in Mozambique Project" financed by a DANIDA grant in the amount of DKr15.5 Million provides a three-year assistance program to the Law School, the Supreme Court and INAJ. Under its allocation the Law School will train teachers in Denmark and Portugal and has partially financed academic exchanges with the University of Lisbon under a cooperation agreement entered into between the two Law Schools. This agreement provides for the supply of three Portuguese professors per semester. Salaries are jointly paid by Portugal and DANIDA. The Law School is obligated to pay for international travel, local lodging and transportation. Other beneficiaries under the DANIDA grant are INAJ, to finance media campaigns to inform citizens of basic rights, and the Supreme Court, to acquire library materials, purchase computer hardware and software and finance visits of judges to Denmark.

28. The Law School has also received grants from the French cooperation to purchase essential office materials and equipment for a total amount of US\$17,000 and typewriters through a Friedrich Elbert Foundation contribution. The U.K. Commonwealth secretariat is supporting the Ministry of Justice through its "aid for democracy and good governance program".

29. **Previous Bank Involvement** To strengthen the ability of the Ministry of Finance and of the Bank of Mozambique (BOM) in the areas of economic policy formulation, capital budgeting and Banking operations, the Bank provided a credit to assist in financing the "Economic and Financial Management Technical Assistance Project" (Credit No. 2066-MOZ). As part of this project, a legal assistance component (LAC) has been included to enhance the BOM legal department's ability to effectively respond to an ever growing number of requests for legal advice on a variety of complex international financial issues. Under the project US\$0.8 million has been made available for capacity building in the form of advanced legal seminars, practical training, short-term graduate training and, updated legal materials, as well as computer hardware and software to establish a legal data bank of legal forms and contractual clauses as well as cataloguing and retrieval of laws, decrees and other legal materials. It is expected that legal reforms in other areas (e.g. Local Government and ROCS I Projects) will be coordinated with and draw upon the technical advice of the WG.

30. In October 1990, a Bank mission reviewed progress on the implementation of the LAC and tried to ascertain the best method for building legal capacity within BOM and other sectors of the Mozambican government concerned with legal aspects of economic development. During the mission, BOM hosted a workshop with a variety of lawyers in Maputo to determine more precisely what are the legal needs of the country. Participants were asked to identify training needs and urgent actions to be taken as part of an overall capacity building effort to strengthen legal services in Mozambique. (Sample questionnaire is in the project file.) The respondents concluded that their professional activities were seriously affected by the lack of appropriate training to carry out their work, insufficient legal materials and books, and deficient dissemination of the law, new regulations and court decisions. The priority areas chosen for further training are, inter alia, international, financial, economic, tax commercial and contract law. During the period 1990-91, several follow-up actions have been carried out including, the selection of the legal profession as one of the target areas of the capacity building study, and further preparatory activities carried out by a local informal task force, which later became the current WG. To help overcome the past isolation of the Mozambican legal profession, the PPF is financing study visits abroad by key jurists to acquaint them with other legal realities, experiences and alternatives, including a visit made in May-June 1992 by the Dean of the Eduardo Mondlane Law School to New Mexico to examine a disk based, full text computerized legal information system and techniques for computerizing the administration of justice, as well as New Mexico's judicial training programs, ways to deliver legal services to the poor, means of protecting the environment, and methods of alternative dispute resolution. Also under the PPF, several study tours are being undertaken by officials from the Procurator General's Office: three in Zimbabwe, three in Portugal, and three in Brazil.

31. As evidenced by the foregoing discussion, Mozambique might profit from external assistance in almost all legal fields and practical aspects of the legal profession and the judiciary. The efficient utilization of assistance provided from various donors and the proposed project has two fundamental prerequisites. First that a long-term strategy to strengthen legal capabilities be carefully designed, discussed and approved. Second, that special coordination efforts be undertaken by the legal institutions. Joint progress reviews, by Government, IDA and the main

donors, of ongoing capacity building actions to strengthen legal services will be carried out annually under the project to:

- (a) coordinate all legal assistance inputs to avoid duplication;
- (b) supervise and distribute information to all relevant institutions and private practitioners on location of various legal documents, books and materials, as well as forthcoming legal lectures and training sessions;
- (c) carry out critical review of ongoing programs to ensure that the most important legal needs of Mozambique are being satisfactorily met and propose adequate new programs;
- (d) evaluate benefits deriving from ongoing cooperative or twinning arrangements with relevant institutions and explore the negotiation of new arrangements; and
- (e) carry out periodic assessments of the long-term strategy to propose necessary adjustments.

C. Public Sector Reform and Public Administration Training

Background and Main Issues

32. **Structure and Distribution of the Civil Service** In 1990 it was estimated that total civil service employment in Mozambique was approximately 105,000. Of this total, more than half were attached to the Ministries of Health and Education. Excluding nurses and teachers, some 35% of civil servants are based in Maputo City, with a particularly high degree of centralization of "specialists" (licenciados). Surprisingly, those Ministries with mainly service delivery functions are highly centralized, such as: Transport, Public Works and Sanitation (48%); Industry, Fisheries and Commerce (41%); and Agriculture and Irrigation (25%). This is partly a reflection of the unstable and dangerous conditions created by prolonged insurgency in the countryside; however, with a return to political stability, a high priority for development will be to build service delivery capacity in the rural areas.

33. The recent development of the country's first reliable database on the staffing of the civil service has provided some initial gender-disaggregated statistical tables indicating an extremely low percentage of women (7%) in managerial and technical positions. These preliminary analyses also indicate that there is no gender-based salary discrimination between persons at the same level of qualification. However, personnel regulations regarding mandatory retirement do discriminate against women, with the mandatory retirement ages for male and female civil servants being, respectively, 60 and 55 years of age. Since women often have a shorter time in their careers than their male counterparts, due to family obligations, the compulsory retirement age further reduces women's ability to progress up the career ladder.

34. Of the senior civil servants (management and upper level technical cadres), the median age is about 40, with two-thirds of the staff falling in the 30-45 age group and only 12% in the 26-30 age cohort. This relatively small proportion of staff under 30 poses a marked problem for the future; in five years time, there will be only 211 senior civil servants to replace

the 451 currently in the 31-35 age cohort. It is important that recruitment to entry level positions is intensified. In addition, while few of the managerial and senior technical cadres will reach mandatory retirement age over the next few years, 14% will be due to retire during 1994-2009. It may be important for the Government to consider how they might retain experienced individuals by such steps as raising the mandatory retirement age for females, by permitting continued service after the normal retirement age, and other actions aimed at discouraging early retirement.

35. In terms of grade/pay levels, the hierarchical structure of the civil service represents a very flat pyramid, in which a disproportionately small cadre of upper level staff sits atop a large lower level staff that is predominantly constituted of individuals with minimal levels of educational achievement or skills. Adjusting the total number of civil servants to exclude nurses and teachers, the senior management and technical grades represent less than 6% of total civil servants. The lowest pay level, comprising mainly unskilled manual labor, represents some 28% of the adjusted total, with basic level technical staff representing a further 24%. This suggests that there is overstaffing at the unskilled and basic level technical grades, a situation probably encouraged by the lack of personnel to fill higher level positions. One of the key measures for enhancing the capacity of the civil service would be an adjustment of the relative proportions of lower-level and senior technical and managerial staff, and to ensure that structures and staffing complements are appropriate for the various positions and grades within each Ministry.

36. Educational Levels Available data on the educational levels of senior civil servants show that about two-thirds have only a secondary education or less. Less than 20% have a university degree, while 16% have no formal schooling at all. At the local government level the situation is worse: of the 206 district directors surveyed recently, only 74 had schooling beyond the primary level, and none had attended the University. This situation has several important consequences for capacity building. First, many of the higher level civil servants probably require additional training, either formally or through informal programs. Second, since so few individuals possess post-secondary qualifications, these should not be a pre-requisite for promotion to senior government posts. It does not appear that the need for a post-secondary degree has been demonstrated through any analysis of the functional requirements of these top jobs and the results of this insistence on formal qualifications are that the competition for those with higher level education is intensified, salaries are bid up, experience in service is undervalued, and the skills of lower level managers and technicians are not adequately utilized or nurtured.

37. Civil Service Pay The civil service pay structure was revised in early 1991, raising the mean monthly salary from a US\$ equivalent of \$22 as at November, 1990 to \$34. At the same time, salaries were raised proportionately more for senior officials, thus increasing the wage compression ratio (highest to lowest) from 14:1 to 20:1, reflecting a conscious move to provide minimal wage increases at the lowest levels as a measure to encourage voluntary separation where overstaffing is most evident. In May 1991, additional salary improvements for university professors, teachers and nurses, together with bonuses for the holders of advanced academic qualifications, were announced. With the application of these bonuses, which range from 20% to 50% of basic salary, the emphasis on educational qualifications has again been emphasized and the relationship of position responsibility and job performance to remuneration further weakened.

38. Salaries in the civil service for medium and higher level staff have been shown to be low as compared to the private sector and international agencies (but not at present, to the parastatal sector, although the latter are currently revising their salary schedules). For example, following the May 1991 reforms, total gross private sector remuneration, for those holding university degrees, is currently at least double that available within the civil service. The differences in net-of-tax remuneration are much smaller, because of the tax-exempt status accorded to both the salaries and various bonuses paid to civil servants. In terms of donor agencies, the levels of remuneration offered to local staff far exceed those of both the civil service and productive sectors, although there are wide variations between donors. Available data indicates that the base salary of senior administrative staff working for the donor agencies is about five times that of the base salary of a National Director in the civil service. In addition, the donor agencies usually offer a number of fringe benefits to their staff such as family and education allowances, medical assistance and sometimes free transport. Despite expressed concern by the donors over the distortions so created, little has been done to agree common policy rules for the recruitment of local staff.

39. It is not clear whether the salary differentials between the civil service and other sectors have had an impact on loss rates from the civil service as a whole, but it is apparent that there has been a net loss of the most highly qualified and skilled personnel. In addition, moonlighting and absenteeism is common among middle and higher level civil servants. The situation is exacerbated by a lack of salary increments within grades, which restricts the means of achieving a higher civil service salary to either general pay awards or through queuing for promotion.

40. Another means that has been used by donors to try and attract and retain experienced civil servants in positions associated with project implementation is the practice of topping-up salaries. The topping up may be in the form of a cash payment, housing or vehicles. The data available indicates that there are large variations in donor practices, driven in part by donor's own regulations and in part by competition for the services of the available, skilled personnel. Donors also have an impact on civil service remuneration through offering consultancy fees to higher level staff, travel allowances for duty travel both domestic and abroad, and training allowances. Again, there is no policy framework or even informal agreement between donors to regulate the extent of such practices.

41. The government is soon to approve a proposal for a Salary Incentive Fund, which would provide salary top-offs in a transparent fashion to those most "at risk" of leaving the civil service. This mechanism, described in detail in Appendix 1, would provide a coordinated framework through which donors could finance the salaries of top-level civil servants, and thus ensure that government staff in key positions would not continue to abandon public service in the face of inadequate incentives. The salary incentive fund would be retroactive to June 1992, paid in meticaís, and adjusted automatically when government salary scales are adjusted. Selection criteria are transparent. Salary incentives would be based on a formula multiplying actual salary by points obtained on a scale. In line with recommendations made by the Capacity Building Sector Study points would be assigned not only on the basis of academic qualifications, but also take into account length of service, level of responsibility and location of service. For example, 10 years of experience for a middle-level technician achieves the same number of points as an entry-level licenciado, and public servants outside of Maputo would receive at least 10 additional points, out of a maximum of 82.5 points.

42. **The Regulation of the Civil Service** The process of creating a national civil service in Mozambique has been ongoing since independence in 1975. In 1986, central control of the personnel process and provision of general management support to personnel management became the responsibility of the newly-created Ministry of State Administration (MAE), implementing policies approved by the National Civil Service Council. The most recent phase of civil service reform has the objective of creating a more integrated system for public sector management in which differences among ministries in structure and management systems are rationalized and simplified. Over the last few years, MAE, with the assistance of SIDA-funded experts from FUNDAP (a Brazilian consulting agency), have achieved significant results. Among the principal accomplishments of their work have been a sharp reduction in the number of different job and position classifications, from more than 6000 to less than 1000 and the definition of service-wide, common career structures for management, professional and technical personnel. These reforms have been accompanied by the consolidation of a number of different pay and grading classifications into a single table that is applicable across the entire civil service.

43. However, if the civil service is to be able to attract and retain qualified staff, further reform of both career structures and schemes of service is required so that these do not work to reduce commitment to a civil service career. Regulations covering the qualifications and experience requirements for each level in the management career structure contain some serious anomalies: in some cases, eligible prior positions are rated at a pay level superior to that of the post for which they are a pre-qualification; in others, experience in a lower-level management position is not required as a qualification for a more senior post. A more serious problem is that the current management career structure makes mobility between central, provincial and district-level management posts virtually impossible. Career progressions and pay levels continue to be determined by formal qualifications, with job experience so heavily discounted that long-term commitment to the civil service is discouraged. Within the technical stream, there is a career block between levels B and C and the time required for normal career progression is excessive.

44. Responsibility for the implementation of civil service employment policies and regulations rests with the human resource directorates of each ministry and state secretariat. These central directorates are responsible for the ministry personnel located at both the headquarters and outside of Maputo; they also administer the competitive civil service examinations and training programs. The specific functions, internal organization, methods of operation, and their reporting systems vary considerably. MAE, with the assistance of FUNDAP, are currently working on a program of assistance to the personnel units in the individual Ministries to standardize their personnel procedures, with particular emphasis on the establishment of improved personnel information systems. The program is led by MAE and coordinated by a team representing the personnel departments of the Ministries involved in the first phase of the program. MAE offers both technical assistance and extensive training to the personnel staff of the involved Ministries.

45. **Training of Civil Servants** There is a serious shortage of managerial and administrative skills and expertise in Mozambique arising from the lack of pre-independence education and training for indigenous people at all levels and from the post-independence exodus of the Portuguese. Within the civil service, this problem is compounded by the lack of coherent management systems for finance, personnel, procurement, etc. In addition, the necessary shift in the role of Government as the country effects a transition from a command to a market economy is requiring redefinition of the roles and responsibilities of civil servants, whilst the implementation of the Government's plans for significant decentralization of authority to the

provinces and districts will place even greater strain on both management systems and the managers themselves.

46. At the same time, there is a general absence in Mozambique of institutions structured to meet the training needs of managers and administrators, particularly at middle and senior levels. In terms of formal education and training, the Faculty of Economics at the University currently offers a 5-year business management degree course with a highly-competitive annual intake of around 100. There has been considerable interest over many years in the development of an under-graduate course in public administration, but at present the Faculty is facing severe problems and any expansion of courses or intakes will take some time to realize. The technical schools and institutes offer courses in basic administrative skills, but their equivalence with the general education system means that the general education component of the curricula takes precedence over the vocational component. The School of Administration and Law, which is affiliated to MAE, provides mid-level education and training in basic administrative skills equivalent to that given by the technical institutes, but a lack of faculty, hostel accommodation and budget has severely hampered its activities.

47. A distance education program, funded by SIDA and leading to a Masters Degree in Economics, has provided a different model of professional education. The program was established with the School of Oriental and African Studies at the University of London. Around 25 senior officers of the civil service and the parastatals, who already had baccalaureate degrees in economics (previously offered as a 3-year program by UEM, but subsequently withdrawn), were selected to participate in the program. The course consists of part-time study, supported by written and audio-visual materials and by a network of local tutors. The program is conducted in english, outside of office hours, with participants receiving intensive language training prior to, and during, the course. Approximately 20 participants of the first batch remain in the program during its third year and SIDA are planning to support a second intake. The advantages of this program are several: it provides high quality instruction; it enables participants to remain in their Government posts during their period of study; the network of local tutors ensures that the program material is related to the participants' working context; the english language training facilitates the participants' subsequent interactions with foreign consultants and the donor community.

48. Outside the formal education system, various training centers offer short-term courses in aspects of administration and management. The Center for Local Government Training, also affiliated to MAE and which was established in 1989 with EEC support, provides two-month programs for provincial and district-mid-level managers and administrative assistants. Other vocational training centers focus on providing training within specific sectors or Ministries. Notable examples of agencies that provide management training (as opposed to office administration skills training) are the Centres for Agricultural Training and for Industrial Training - although the latter caters mainly for the commercial sector. Concerned at the low level of management expertise for project implementation, donors often include management training components within their projects' terms of reference. Another approach is that used by MAE, where in the area of personnel management and with the assistance of a SIDA-funded technical assistance team, they have combined the reform and/or development of procedures and systems with intensive training in the implementation and maintenance of these procedures and systems. This approach has the advantage of ensuring that a management framework exists for individuals to practice the skills learned in the training. The program has also worked to establish a network of trainers within both MAE and the sectoral Ministries involved, to enable a large body of

people to be reached faster and at a lower cost than would be possible with a single, centralized training unit.

49. The picture that emerges, therefore, is one of a limited supply of pre-career educational/technical training, where relevance and quality is questionable and a variety of in-service, sectoral efforts to fill the obvious gaps. There is no comprehensive strategy for civil service training, no standardization of current programs or materials, no coordination between ministries' training activities, and no formal link between training and career development within the civil service schemes of service. Responsibility for the identification of training needs within the public sector and for programming training to meet these needs, currently lies with MAE. However, apart from the commendable efforts in personnel management, MAE has not yet been able to fulfil this responsibility.

50. Summary of Capacity Constraining Issues In summary, the capacity of Mozambique's civil service to plan and manage the delivery of public services is severely constrained along several dimensions, each of which requires special corrective measures:

- (a) a structural dimension, which includes overstaffing at some levels and understaffing at others, and the relative weakness of provincial and district government. There is a need to review the roles and functions of the different ministries and to ensure that both their organizational structure and their staffing levels are appropriate for their responsibilities;
- (b) a supply dimension, related to the difficulties in attracting and retaining skilled personnel in the civil service. The Government needs to find ways to increase the attractiveness of a civil service career relative to alternative opportunities. A balance needs to be struck between adopting measures to attract qualified people to entry-level positions and measures to retain more senior staff;
- (c) a qualitative dimension, in which the productivity of the operational systems of government is low. There is a need to greatly increase the availability of relevant training to upgrade managerial and technical skills, but this training needs to be integrated with the implementation of improved operating systems;
- (d) a motivational dimension, which covers disincentives such as limited promotion opportunities and financial rewards, inefficient working conditions, etc.

51. MAE is the lead ministry for several major areas of significant reform. Its Directorate of Local Administration is responsible for the process of decentralization, including policies on the devolution of authority to local levels; design of local government structures, staffing and administrative systems; and policies and procedures related to the delegation of fiscal and financial matters to the local level. Its Direccao Nacional de Funcao Publica is responsible for the reform of policies and procedures related to civil service employment, as well as for the training of civil servants. The newly-created Directorate of Public Service Organization is responsible for reviewing the functions, structures, staffing complements and operating systems of all ministries. Each of these areas of reform in themselves place a considerable burden on MAE. Furthermore, their inter-dependence requires that the programs of the different Directorates, and the various donors supporting these programs, are carefully coordinated. In addition to the above, MAE has also been given responsibility for coordinating the Government's capacity building program, requiring MAE to lead efforts in the development of the national capacity

building strategy and implementation plan, and to coordinate the progress of all the involved ministries in its implementation.

52. In order to fulfil all of these responsibilities, MAE's capacity to develop the necessary long-term strategies, to formulate appropriate policies in support of these strategies, and to manage and coordinate implementation needs to be strengthened.

Government and Bank Strategy

53. The Government's stated priorities in the area of public administration are threefold: (a) the decentralization of authority to the local level, together with associated reform of the political process aimed at increased democratization with locally-elected representation. This will involve the development of a clear policy framework and the formulation of strategies for implementation of the policies; (b) the institutionalization of the reformed system of local government through the development of appropriate structures, systems and operational policies; and (c) strengthening the quality of the services provided by the state, to be achieved through improvements in organizational structures, the simplification and rationalization of administrative systems and procedures, and through the training of civil servants. MAE has a dual role in the achievement of these goals; it has a "sectoral" responsibility for the development of decentralization policy, combined with its role as a central, coordinating ministry responsible for leading a process of reform in civil service operations and the employment of civil servants.

54. In addition, the Government has committed itself to the development of a long-term, national strategy for capacity building. Efforts to strengthen the public services through a program of civil service reform and human resource development, will constitute a major component of the strategy. Again, MAE has a dual role in capacity building; that of coordinating the various sectoral contributions for the development and implementation of the strategy, and that of lead ministry for the reform of the policies, structures, systems and human resource development activities of the civil service aimed at improving the performance of the public services.

55. The process of civil service reform has been ongoing since independence in 1975. In particular, since 1989, MAE has made significant strides towards the simplification and unification of career and pay structures across the whole civil service. This has been accompanied by efforts to improve civil service personnel management systems and procedures, including the development of a personnel information system to enable monitoring of staffing levels and staff characteristics. Through this work, MAE has established good working relationships with the human resource directorates of the sectoral ministries, has developed commitment to the process of reform, and has created a strong base from which to launch the next phase of reform.

56. The next phase of civil service reform will take place in parallel to, and in close coordination with, the program of reform of local government. The strengthening of human resources at the local government level will be essential to the success of the decentralization process. In recognition of this need, a planning and policy unit will be established within MAE, with responsibility for leading the strategy formulation and policy development process, for developing mechanisms for the participation of all levels of the government in this process, for coordinating the various programs within MAE as well as the coordination of donor programs. This planning unit will thus form the focal point for the integration of Government programs for capacity building, civil service reform and decentralization.

57. Government priorities for the next phase of civil service reform include: (a) the implementation of an incentives scheme to raise the remuneration levels of civil servants in an effort to stem the drain of staff to the private and donor sectors. The Government is soon to approve a proposal for the establishment and operation of such a scheme, involving a package of both financial and non-financial measures, and is currently canvassing donors for future financing. Strong interest has already been expressed by Switzerland, Norway, and Sweden; (b) efforts to strengthen personnel administration within the civil service, by extending implementation and training activities to additional ministries at both central and local levels; (c) revision of civil service career structures and schemes of service with a view to improving retention of staff, integrating local and central level career structures, and ensuring greater emphasis on staff performance and skill development; (d) starting a process of functional reviews within sectoral ministries with the objective of defining their role and responsibilities, viz a viz other ministries and within the context of the decentralization program, and reviewing their organizational structure and staffing complements to ensure that these are appropriate for the defined responsibilities; (e) development of a strategy for a coordinated program of training in management and public administration for civil servants.

58. Civil Service Reform SIDA have been supporting MAE since the time it was first established. Their most recent program of assistance, covering the period 1989-1992, has supported the creation of a unified career and salary structure for the whole civil service which is now reaching the final stages of implementation; the development of improved systems of personnel administration and their implementation within a number of sectoral ministries; and the establishment of a database of personnel information on civil servants. This work has been supported by a technical assistance team from FUNDAP, a Brazilian consulting group.

59. For the next phase of civil service reform, a joint program of assistance has been agreed between SIDA and the World Bank in support of the Government's strategy (Appendix 2). This arrangement will build upon the collaboration initiated with the Capacity Building study, will ensure coordination of the inputs of the two agencies to MAE, and will simplify project management for the public administration component.

60. Training in Public Administration and Management Current support in this area is provided by the EC, who have been financing the operations of the Center for Local Government Training; UNDP, who are developing and implementing training programs for provincial and district level staff within the three northern provinces; and SIDA, who have been supporting in-service training activities related to the implementation of the new systems of personnel administration. SIDA have also been working with the Ministry of Finance on the development of in-service training programs for staff from the Ministry of Finance and finance staff from the sectoral ministries, and is financing the MSc distance learning program in economics.

61. Over the next three years, SIDA will continue to support in-service training for finance staff and a second intake of participants to the MSc economics program. The Italian Government is proposing to support the restructuring and revitalization of MAE's School of State and Law. Following an evaluation of the first phase of their support to the Center for Local Government Training, the EC plan to commence a second phase of assistance, supplemented by technical assistance to be provided through the Municipal Development Programme for Sub-Saharan Africa.

62. **Other Support to MAE** In the area of local government and decentralization, the World Bank, through a project preparation facility for a proposed engineering credit, is providing technical assistance to the Directorate of Local Administration within MAE to support the work of a number of commissions investigating the needs for reform in the areas of finance and fiscal matters, legal and institutional, urban, and the environment. It is anticipated that a new project, to support the implementation of the identified reforms, will be effective during 1993. USAID is working with the same Directorate in the area of legal reform for the process of democratization, and SIDA is also planning to support the democratization process.

II. **Detailed Project Description**

Strengthening Legal Institutions and Training (base cost: US\$7.2 million).

63. The objectives of the component are to create a group of competent lawyers capable of designing and implementing a sophisticated legal and regulatory framework underpinning a market-oriented system; and build a corps of lawyers, paralegals, judges and court officers to ensure the proper administration of justice.

64. The component consists of activities in the areas of:

- (a) design and implementation of a long-term strategy and an action plan to strengthen the legal profession and the judiciary in Mozambique (US\$800,000);
- (b) Improvement of the quality and efficiency of legal services, as well as training for the lawyers and judiciary (US\$3.6 million);
- (c) Facilitating the dissemination of the law and the administration of justice through the design of modern automated legal information systems; upgrading resources and operations of law libraries; assisting the legal reform process through providing consulting services, conducting seminars, and preparing legal materials (US\$932,000).
- (d) Assisting in the development of legal institutions, such as the Administrative Tribunal, the Center for Judicial Studies, the Bar Association and MULEIDE (US\$640,000); and
- (e) Strengthening the institutions responsible for Project implementation (US \$1.3 million).

65. **Strategic Planning** An in-depth assessment of the institutional framework responsible for legal services will be carried out with a two-fold objective. First, it will define policy and main objectives of legal training and the role of the legal profession and the judiciary in a society under transformation. Second, it will provide the basis for a long-term national strategy and an action plan aimed at strengthening legal capabilities in Mozambique. To avoid the ongoing trend of undertaking isolated training activities which are not responsive to the needs of the Mozambican society, comprehensive reviews of the main legal institutions and the Law School will be carried out. These reviews aim at assessing major structural weaknesses and tailoring the training programs to the growing responsibilities of the legal institutions under the Estado de Direito established under the new Constitution and future institutional and political developments.

66. Specifically, the Project will support three workshops and studies. The workshops will (a) review the capacity, scope of work, institutional arrangements, and staffing of the main legal institutions (e.g., Ministry of Justice, Supreme Court, Attorney General's Office and the Administrative Tribunal); (b) recommend eventual adjustments to the functional, organizational, staffing, administrative, and professional aspects of the above-mentioned institutions and their respective training programs. There will be three workshops held during the first, third and fourth Project year. The recommendations of the workshops will be discussed at the annual Project implementation reviews in order to assess and adjust the sectoral strategy and identify other strategic activities. In addition, the Project will fund diagnostic studies of the Law School, with a view to recommending a strategic approach in the design and implementation of its training programs and the possibility of implementing other programs open to staff of other legal institutions. Areas to be included are, inter alia: an assessment of the quality of undergraduate and graduate training, including relevance of its curriculum, the design of comparative legal terminology training and teaching methodologies of the teaching corps. Consideration should be given to the impact that the opening of a private Law School may have on the Law School's current capabilities. Terms of reference for the diagnostic studies will be prepared by the Law School within six months of Project effectiveness and submitted to IDA for approval.

67. By early 1996, a National Conference on the legal profession in Mozambique will be held in order to provide a broad forum to discuss the role of the legal profession and to propose technical solutions to the main legal issues faced by Mozambican jurists. The Conference will be attended by legal professionals in active practice, at all levels. Also included will be lawyers from the Provinces, since these jurists, who seldom have an opportunity to exchange views with their colleagues in Maputo, would benefit from this nation-wide event. The recommendations and technical papers presented at the Conference will be published and widely distributed among government legal institutions, law professors, and private sector lawyers. Results of relevant assessments sponsored by other donors will be jointly reviewed.

68. Finally, the legal institutions responsible for the implementation of the long term strategy, and its updating throughout Project execution, will be strengthened through the exposure to other legal systems and traditions. At the same time, a review mechanism is included to allow for the periodic adjustment of the strategy. Credit funds will finance short-term local seminars, study-tours, internships and attendance to professional conferences - on an average of a one-month period - for a maximum number of 30 training activities throughout project implementation. This technical training will permit Mozambican lawyers, law professors, judges and paralegals to become familiarized with other legal systems and training techniques, as well as English legal terminology. Other donors, including the British Council, were requested to provide complementary financing. The credit will also finance short-term local consultants' services which will be employed to facilitate progress reviews and periodic adjustments to the strategy.

69. Legal and Paralegal Services The Project will strengthen legal services through the provision of professional and in-service training to overcome the weaknesses of legal staff, at all levels, in the following areas: international, financial, economic, tax, commercial, contract and administrative. It will do so through a series of training activities for legal practitioners, law teachers, judges, magistrates and students, as well as by supporting the legal reform process. Furthermore, the Project will emphasize the local training approach rather than sending people abroad for training. Reference is made to the training of judges which successfully started under the U.S Government program for district court judges. The Ministry of Justice has also given particular importance to the design of local training programs for staff and lawyers. Detailed course programs for the first year and general descriptions of training programs are in the project file.

70. Training for the Law School may be carried out through ongoing or new twinning arrangements with relevant international legal institutions or through individually negotiated contracts. It will include, but not be limited to: (a) foreign graduate training at Master's or Doctorate's degree level for law teachers (about 2 per year); (b) refresher courses for current law teachers and recent graduates from socialist Law Schools in business, finance, international, commercial law and legal framework for the development of the private sector (seminars with an average of 30 trainees per seminar over a one-month period); (c) contracting of foreign legal experts for short- to medium-term (two-month average) assignments in areas of the law where there is no local expertise available to assist in the carrying out of the training specialized legal subjects (e.g. corporate law, mortgage law, international economic law, environmental law, alternate dispute resolution and maritime law). The Project will also provide logistical and administrative support to legal training activities carried out by UEM's Law School in the provinces of Nampula and Sofala, including travel expenses for teachers, audio and videocassettes and textbook reproduction. It is recognized that family obligations may bar otherwise qualified women from participating in some of these activities; to overcome this barrier, the Project will provide supplemental payments, when indicated, to such women to assist them while abroad, with family or child care. In coordination with the University design, clear guidelines and institutional mechanisms for selection, training and retaining of trainees who have received training financed under the Project will be set up.

71. The project will finance the design and implementation of a pre-service and in-service training program for magistrates, court clerks, and staff at large of the Supreme Court, Attorney General, Ministry of Justice and district courts. This will include: (a) follow-up phases of the pilot program launched by the Ministry of Justice under US Government financing to provide practical training to district court judges; (b) other refresher, pre-service, and in-service training for magistrates. It is expected that the initial program will be extended to cover a broader set of beneficiaries (an average of ten professional, 15 paralegal and 20 administrative staff of each institution will be trained per project year). Training abroad for magistrates will be provided through short-term study visits (30 visits during Project implementation and support to ongoing and future twinning arrangements). Consultants' services will be provided to assess the institutional, financial and technical viability of the establishment of the Centro de Estudos Judiciarios and, depending on the results and recommendations of the feasibility study, the Project will also finance essential start-up actions.

72. To assist Mozambique in undertaking its legal reform program, which will cover all aspects related to private sector development, the project will finance: (a) short-term highly specialized consultants' services to provide advice in particular areas of the Mozambican legal framework needing urgent revision and updating and to streamline existing commercial, financial, administrative and environmental law; (b) the strengthening of contract negotiation and legal drafting capabilities through the attendance of local lawyers to special seminars (two participants per institution per year will go abroad and there will be two seminars in Maputo); (c) printing and computerization of relevant standard contractual provisions to be made available to government legal institutions and Bar Association, as well as other appropriate organizations, such as MULEIDE.

73. Facilitating Dissemination of Law and Administration of Justice To facilitate access to, and the implementation of, the new economic legal regulatory framework and to improve the administration of the law, the project will finance the improvement of legal libraries through: (i) provision of short-term consultants' services to design inter-library and inter-institutional loan systems for legal books and materials; (ii) acquisitions of books, legal materials and journals; (iii) provision of heavy duty photocopying machines and spare parts; and (iv) developing and printing of standard contract forms and specialized legal publications (e.g., leading court cases; and Bar Association newsletter).

74. Second, Credit funds will support the implementation of modern legal information systems consisting of: (i) designing techniques for computer storage and retrieval of the full text of laws, regulations, case decisions, articles and other appropriate legal materials; (ii) computerized cataloguing and indexing of library collections for the Supreme Court and the Law School libraries; (iii) providing a word processing program for preparation of legal documents and creation of legal forms, standard clauses and form contracts; (iv) assessing the needs for computerization of national registries, such as the Commercial Registry, the Land Registry and Notarial Offices Registry; and (v) on a pilot basis, computerization of administrative operations of the judicial system, including functions such as master calendars, records of cases, and the registry of pleadings filed. (A detailed description is in the draft implementation manual.)

75. To effectively carry out the foregoing programs, extensive training will be required for: (i) establishing a system for production of a full text, legal data bank and setting up the appropriate installation sites for retrieval of legal data; (ii) administration of law libraries, computerized cataloguing and indexing systems; (iii) teaching students and lawyers how to do research in a full text, computerized data base; (iv) instructing lawyers and students on the use of a word processing program to produce documents and create data banks of form contracts and standard phrases; (v) tutoring legal secretaries in the use of word processing programs; (vi) training government officials on use of computerized registries; and (vii) training judicial officials on the operation of computerized master calendars and other computerized systems for judicial administration. To design the appropriate information systems and develop the appropriate training, qualified consultants will be retained.

76. The possibility of designing and setting-up a system to promote legal and judicial exchanges of information among countries in the Southern Africa region will also be explored, for which the services of a legal/librarian consultant will be contracted.

77. **Institutional Development** As part of the long-term strategic approach to the strengthening of legal institutions in Mozambique, assistance will be provided to existing and emerging institutions. In this respect, the Project will finance: (i) logistical and administrative assistance to set-up and strengthen the Administrative Tribunal, including essential office equipment and materials; training for professional and support staff in administrative law and procedure, including four study visits per year during Project implementation and support to existing and new twinning arrangements with relevant institutions (e.g., in France or Portugal); (ii) logistical and administrative support and essential start-up assistance to the Centro de Estudos Judiciarios, taking into consideration the recommendations of the feasibility study (see para. 71) and results of study tours; (iii) assistance in setting up the new Bar Association, support to the design and implementation of its continuing education program, visits of the Board of Directors to other Bar Associations, and the organization of workshops on professional matters (e.g., legal reform and the role of the lawyer); and supplemental technical assistance to MULEIDE, the new private institution responsible for the defense of women's rights. Concrete proposals by these private institutions will be submitted by the WG and approved by IDA before credit funds can be used.

78. **Project Implementation Capabilities** Because of the different public and private institutions involved in the Strengthening of Legal Capabilities Component, effective coordination among these diverse groups is essential. Thus, requisite implementation structures were designed and accepted. The WG will be the inter-institutional body responsible for establishing basic policies and for overseeing that the Project is executed in accordance with the sectoral strategy and Project objectives. Its Chairperson will be responsible for ensuring continuity in the membership of the WG to avoid Project implementation delays. By June 30 of 1993 and each year thereafter, the WG will submit to IDA for its review the draft agenda and budget for the annual strategy and planning workshop, to be held not later than October 31 in every year.

79. To execute decisions of the WG and to carry out day to day management of the Project, the following local experts will be employed: (i) Project Manager (5 years); (ii) Deputy Project Manager/Accountant (5 years); (iii) Administrative Officer/Procurement (5 years) and (iv) a bilingual secretary (5 years). To assist the WG in identifying legal resources and consultants not available locally and to coordinate with foreign legal institutions and bilateral or multilateral donors, resident legal advisory services (2 to 3 years) will be provided by an expert, group of experts or a law firm on a retainer basis to be selected by the WG in accordance with competitive procedures and Bank guidelines for employment of consultants. Terms of reference for all these positions were finalized during negotiations and are attached in Appendix 4. The Ministry of Justice has provided office facilities for the WG before negotiations. The implementation structures, terms of reference for Project staff and key implementation actions are shown in Appendix 4.

Public Administration and Development Management (base cost US\$6.5 million)

80. This component aims to bolster the Government's efforts to strengthen public sector management through both civil service reform and through the training of civil servants. It is designed to be closely coordinated with and to supplement SIDA's public administration program and with other concurrent efforts to reform the civil service. As such, it consists of the following subcomponents:

- (a) the establishment of a Planning Unit within MAE, staffed by a combination of local staff, locally-recruited advisors and foreign consultants (US\$580,000);
- (b) support for the ongoing program of personnel management, now entering the second phase of the program covering the extension of the personnel system to all other sectoral ministries at both the central and provincial levels (US\$1.8 million);
- (c) support to MAE's institutional development, including assistance to MAE's Department of Administration and Finance (DAF); the provision of scholarships; and a contribution to a local cost fund to support MAE's leadership and coordination role in relation to civil service reform and overall capacity building (US\$1.1 million); and
- (d) financing of a Management Strengthening Fund to support management improvements within the public service and the development of emerging NGO professional organizations (US\$3 million).^{4/}

81. **MAE Planning Unit** To enable MAE to fulfil its leadership role in capacity building and civil service reform, a planning unit will be established, reporting to the Minister. The unit will be staffed by a combination of local staff, locally-recruited advisors and foreign consultants. Government presented during negotiations the unit's terms of reference, together with a staffing plan and approved terms of reference for each of the local and foreign advisors, as well as a time table for its formal creation. As a condition of project effectiveness, at least two full-time staff, local or foreign advisors/consultants must have been recruited. Three months after effectiveness the unit must have been created legally. Responsibilities of the unit will include:

^{4/} Appendix 2 presents a table summarizing the respective financing shares of SIDA and IDA for these activities.

- (a) the provision of a secretariat function to support the Capacity Building Inter-Ministerial Committee, including the development of a phased plan for the implementation of the National Capacity Building Strategy, and the coordination and support of the implementation activities of the involved ministries;
- (b) the development of strategies and implementation plans for civil service reform, recommending and drafting policy changes, and overseeing subsequent implementation. Priority issues for attention will include the integration of district, provincial and central levels within the management career structure; revision of the civil service schemes of service to recognize the value of previous experience and training, to ensure that district experience is required for promotion to senior management positions at the center, and to remove anomalies in the career progression regulations; the development of incentive policies to improve the attractiveness of district posts; and the formulation of a strategy for training in public service administration and management. Particular attention will be paid to the development of policies that will promote the career development of women within the civil service, including measures to increase their ability to participate in training (both local and overseas). An agreed plan of action for the key policy reform measures is given in the draft implementation manual.
- (c) the coordination of the programs implemented by the various directorates of MAE, including the development of an institutional strategy and plan for MAE itself; the coordination of donor inputs to this plan, to ensure that the impact of policy and other reform measures on the different programs are positive, to avoid duplication of effort, to ensure that donor support is effectively channelled; and to provide an information center on donor-funded activities and reports.

82. To support the planning unit, the project will provide 38 months of foreign technical assistance, for either long-term or short-term advisors as dictated by the staffing plan to be developed by MAE prior to negotiations. In addition, the project will contribute limited funds for materials and supplies for the operation of the unit. Support for the implementation and dissemination of the work of the unit, including the conduct of studies and analyses of civil service reform, local seminars and workshops, and reproduction of reports and other materials will be financed by the Credit. SIDA's contribution to the planning unit will include funds for technical assistance (local and foreign), equipment and supplies.

83. Personnel Management The first phase of the SIDA-supported program for strengthening personnel administration within the civil service involved five pilot ministries at the central level. The program was coordinated and managed by the Directorate of Funcao Publico within MAE, with technical assistance provided by FUNDAP. The second phase of the program now about to begin, covers the extension of the personnel system to all other sectoral ministries at both the central and provincial levels. This includes the reorganization of the personnel units, the training of trainers from the human resource directorates of the involved ministries; the training of all personnel managers and staff in the new systems and procedures; and the establishment of a personnel information system that will enable the routine monitoring and control of staff establishments and provide details of the characteristics and qualifications (including training) of the staff employed by each ministry at each level. In addition, the technical group established during the first phase of the SIDA-funded program, with the assistance of FUNDAP, will provide support to the sectoral ministries to complete the integration of all staff within the standardized career structures and salary tables.

84. New initiatives during the project will include: (a) the conduct of a training needs assessment among managerial and senior technical-level civil servants to identify management responsibilities and to compare these against the educational and training backgrounds of current incumbents. This analysis will assist the policy and planning unit in the development of a strategy for training in public administration and management; (b) an analysis of the current career structures and career progression patterns within the civil service as a basis for rationalization of structures across central, provincial and district levels and for the revision of the civil service promotion regulations to take account of training, experience and job performance; (c) analyses of the data already collected on senior level civil servants, including disaggregated gender analyses to assist in the formulation of policies to increase the participation of women at senior levels.

85. To support this work, the project will contribute 38 percent (US\$1.1 million) of the technical assistance costs of FUNDAP, to provide both long- and short-term advisors to MAE's Directorate of Funcao Publico. The project will also finance the local costs for the training of sectoral ministry staff at central and provincial levels, provide furniture and equipment for the strengthening of the personnel units of these ministries, and fund the provision of the necessary personnel forms, files and operations manuals. SIDA's contribution of US\$2.1 million to this component will include the balance of the technical assistance costs, together with the equipment and materials required prior to the capacity-building project effectiveness.

86. MAE Institutional Development To supplement SIDA's program for the overall strengthening of MAE, the project will provide three categories of support: (a) to MAE's Department of Administration and Finance; (b) the provision of scholarships; and (c) a contribution to a local cost fund to support MAE's leadership and coordination role in relation to civil service reform and overall capacity building.

87. The project will finance the salaries, on a declining basis over five years, of three additional staff for the DAF. An accountant will be recruited to take responsibility for donor projects and to deputize for the Chief of the DAF. An assistant accountant will back up the accountant and have particular responsibility for liaising with the Ministry of Finance and with the MAE component managers on the capacity building project's financial plans and expenditures. A supplies officer will head up the DAF's supplies section, including responsibility for all procurement under the IDA and SIDA projects within MAE. A computerized budgetary control system will be established within MAE's DAF, including the accounting for the IDA and SIDA projects. To assist in the revision of DAF procedures, to develop the computerized system, to train DAF and other MAE staff in the operation and use of the system and the reports, and to supervise overall implementation, the project will finance a local advisor for a period of two years, together with the necessary computer equipment and supplies. Short-term, local training in accounting, procurement and supplies management will also be provided for DAF staff.

88. Over the five years of the project, a total of 12 person-years of overseas fellowships will be provided by the project, for the provision of bachelors and masters-level training in public administration and management for MAE staff at both the central and provincial levels.

89. A total of US\$500,000 will be provided by the project as a 38% contribution to local operational costs for MAE, the balance to be provided by SIDA. These monies may be used for local purchases of minor equipment and supplies, local technical assistance and training costs, and for local travel and meeting/seminar costs associated with MAE's responsibilities for civil service reform and capacity-building coordination.

90. Management Strengthening Fund To support management improvements within the public service and the development of emerging NGO professional organizations, the project

will provide a fund that can be drawn upon to finance selected training and management development activities. The fund will support interventions aimed at professional skill development, management system design and implementation, and organizational strategy development. It can be used to cover costs on a grant basis related to consultant fees (either local or international) and expenses, counterpart expenses, training fees, local training implementation costs, travel and expenses related to study tours, and materials and minor equipment procurement essential for the effective implementation of the sub-project. The maximum amount payable for any single sub-project will be a US\$1 million equivalent, although the expected average sub-project cost is \$200,000.

91. The Fund will be managed by the MAE planning unit. To be considered for funding, a proposal must be developed for each sub-project and submitted to the planning unit. The planning unit will evaluate the proposal according to established criteria relating to priority within the capacity building strategy, the creation of local institutional capacity, cost effectiveness, potential impact, sustainability, and the management capability of the implementing agency. Full details of eligibility, evaluation and procurement criteria, together with guidelines on proposal format, are in Appendix 1.

92. A number of sub-projects have already been identified as priorities for the fund. These include: (a) technical assistance to the Ministry of Labor for the development of a strategy and plan, including specific proposals for donor support, for the development of new national policies, programs and operating systems for employment regulation, labor market analysis and vocational training (\$200,000); (b) development of a core team of staff trained in accounting, financial management and project appraisal from the Bank of Mozambique, Banco Popular de Desenvolvimento and the Banco Standard Totta to promote the effective utilization of available external resources as investment credits. The sub-project will also develop the institutional capacity of the Banks to continue training beyond the life of the sub-project, and will contribute toward the salaries of consultants for the Business Advisory Units of the Institute for the Development of Local Industry (\$750,000); a feasibility study on the development of a distance learning program in public administration, following the model of the SOAS MSc Economics program (\$50,000). Descriptions of these proposals are in the project file.

93. In addition, it is anticipated that the fund will also support the implementation of training for the staff of the DAF's of all ministries. The Ministry of Finance is currently finalizing revised financial management procedures for the public service and its training department, with the assistance of SIDA-funded consultants, plan to mount an extensive in-service training program for their implementation, using the model developed by MAE in the area of personnel management.

94. Salary Incentive Fund Finally, credit funds could be used to finance consultant services to assist in the monitoring of the proposed salary incentive fund and in assessing its impact on civil service staffing and performance. Particular attention will be given to criteria for awarding incentives and progress in integrating the incentives fund into regular salary streams as the civil service pay scale evolves over time. By October 31, 1993 and each year thereafter, the Borrower would prepare an annual report on the disbursements, financing, and fiscal consequences of the salary incentive fund, and that the fund's impact on civil service staffing and performance would reviewed by IDA during the annual project reviews.

III. Project Costs and Financing

A. Project Costs

95. The total cost of the project is estimated at MT44 billion or US\$17.5 million equivalent. Base costs are estimated at US\$13.7 million equivalent and contingencies at US\$3.8 million equivalent (28% of base costs). Foreign exchange costs are estimated at US\$11.2 million or 81% of base costs. Taxes and duties included in project costs account for approximately 7% of total project costs, or US\$1.3 million equivalent. All costs are based on April 1992 prices. Project costs by component are summarized in Schedule A.

96. Project costs by expenditure category are shown in Appendix 3. Capital costs for furniture, equipment, vehicles and supplies and materials account for 8% of base costs; training for 56%; technical assistance for 30%; and incremental recurrent costs (salaries and allowances, utilities and supplies, and operation and maintenance of equipment) for 4%.

97. The total project costs include an allowance of US\$3.8 million equivalent for contingencies. Physical contingencies are 10% for equipment, and furniture; 5% for supplies and materials; and 20% for technical assistance and training comprising US\$1.8 million equivalent or 13% of base costs. Price contingencies have been estimated using Bank projections of international and domestic inflation, and assume the annual rates of increase set out below. The exchange rate used during appraisal was MT2000 = US\$1. The nominal exchange rate is assumed to adjust during the life of the project so as to maintain a constant real exchange rate, given these projected inflation differentials.

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Foreign	3.9	3.9	3.8	3.8	3.8	3.8
Local	20.0	15.0	10.0	10.0	10.0	10.0

98. The foreign exchange component of US\$11.2 million equivalent was calculated on the following basis: (a) furniture 91%; (b) equipment 95%; (c) supplies and materials 95%; (d) technical assistance 77%; (e) training and workshops 70%; (f) overseas training and study tours 95%. For incremental recurrent costs, the foreign exchange components were estimated to be 95% for vehicle operating and maintenance costs.

99. Project costs include an estimated US\$1.3 million in indirect taxes on locally procured goods and on technical assistance fees. In addition to these taxes and duties embedded in project costs, the Government imposes a series of taxes and duties primarily on the importation of goods and equipment which have to be paid by the buyer separately, even if the buyer is a government agency. Therefore, in addition to its contribution to the project costs, the Government would have to set aside a total amount of US\$1.1 million in duties and taxes, or about US\$180,000 per year which it has to make available to the implementing ministries in order to be paid back into general revenues. These duties and taxes have not been included in total project costs as they are not usually embedded in the prices of goods and services. To include these taxes and duties in project pricing would artificially inflate the project costs, as they are in essence a transfer payment from one branch of Government to the other. Given the Mozambican legislative context, it is necessary to calculate the tax burden as the Ministry of Finance will have to allocate funds to the appropriate line Ministries so that the indicated levies to release imported

goods from customs, etc. will be paid. Appendix 3 provides estimates of the tax burden generated by the project due to this kind of taxes and duties.

100. The proposed project will require incremental recurrent expenditures for local salaries for additional staff and operation and maintenance costs for equipment. During project preparation and appraisal, every effort has been made to minimize the incremental recurrent costs associated with the project. However, a certain level of additional recurrent spending is seen as unavoidable, if project objectives are to be achieved. Annual incremental expenditures will average about US\$120,000 equivalent; US\$81,000 for strengthening legal capabilities, and US\$34,000 for public administration and management strengthening. Recurrent expenditures for the legal component (computer and office equipment maintenance, start-up support to the Administrative Tribunal and Center for Judicial Studies, and component management costs) would be financed from the Government budget. For public administration and development management strengthening, maintenance and incremental operating expenses will be financed from Government's recurrent budget, while approximately MT50 million, or less than US\$25,000 equivalent, will be needed for the provision of incremental salaries for MAE DAF, to be financed by credit funds on a declining basis.

B. Financing

101. The total project cost of US\$17.5 million equivalent, minus taxes and duties, will be financed by the Government, and IDA (the financing plan is shown in Schedule A). The IDA credit of US\$15.5 million equivalent will cover 86% of total project cost and the equivalent of 100% of the foreign exchange cost and 40.2% of local costs. The Government contribution of MT8.5 billion (US\$3.4 million equivalent) or 14% of the total, will finance the remaining 60% of local costs, and 100% of the estimated US\$1.3 million of taxes included in project costs.

102. The proposed project is part of a larger program to build capacity in Mozambique. Other efforts include a major SIDA-financed public administration reform project (valuing approximately US\$6 million equivalent over the next five years and a salary incentive fund for senior civil servants to be supported by Switzerland, Norway, SIDA and others, amounting to US\$50 million over the next five years.

C. Procurement

103. Procurement packages have been compiled with the aim of obtaining the most economically efficient costs. When contracts are made up of more than one lot, the slice and package approach will be used.

104. Project-related procurement arrangements are summarized in Schedule B. Items financed by IDA will be procured according to "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992 and as elaborated in paras. 105 through 109 below. Where similar items are to be procured at different times during the project life or are financed from different sources, the implementing agencies will ensure reasonable standardization. Standard bidding documents for civil works and goods which have been approved by IDA during past project negotiations will be used in the procurement of these items. Standard contracts for consultants' services have been cleared for approval by the Ministry of Finance and will be sent to IDA for approval prior to project effectiveness.

105. **Procurement of Goods** To the extent possible, bid packages for the procurement of furniture, equipment, vehicles, supplies and materials required under the project would be grouped into homogenous packages in quantities that would achieve economies of scale and timely

and efficient delivery (and installation). ICB procedures in accordance with the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992 would be applied to all bid packages estimated to cost more than US\$200,000 equivalent each, to an aggregate of US\$500,000, with the exception of legal materials, books, journals and software which due to their highly technical content and the unique nature of the texts (e.g. civil codes of countries) will be procured through direct contracting. Items or groups of items estimated to cost less than the equivalent of US\$100,000 per contract, up to an aggregate amount not to exceed the equivalent of US\$400,000 (less whatever amounts are procured through direct contracting as noted above) may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association. Goods shall be exempted from pre-shipment price inspection by a third-party inspection firm. In the procurement of goods in accordance with the procedures described above, goods manufactured in Mozambique may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

106. Consultants' services to be financed by IDA, including consultants for technical and managerial assistance, and studies (US\$4.3 million equivalent), will be procured in accordance with "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as an Executing Agency" of August 1981. Details for the technical assistance and outline terms of reference are given in Appendix 5 and are expanded in the implementation manuals. The use of standard technical assistance contracts (see para. 104) should reduce the delays of up to three months now being experienced in contract clearance by the Ministry of Finance. The local consultancy market will be strengthened as the project will provide a number of opportunities for local consultants.

107. One technical assistance contract, to be financed jointly by SIDA, would be procured via a sole-source contract with FUNDAP, the firm which is currently providing assistance to the ongoing Personnel Administration program, and which was originally selected by SIDA according to ICB procedures acceptable to IDA. Total contract value, over the five years of the project, amounts to about US\$3 million, of which IDA will finance roughly 40%, or US\$1.2 million. Sole-source contracting is justified in this case as continuity is essential to ensure the success of this program, SIDA and IDA are jointly financing the contract, and the GOM has explicitly requested that the FUNDAP team continue their work at MAE. It has been agreed with SIDA and with the borrower that the terms of the extension of this contract will be in accordance with World Bank Guidelines.

108. Training Training proposals to be submitted under the Management Strengthening Fund (US\$3 million) would be reviewed on a case by case basis. Appendix 1 shows the criteria established for the use of this fund. Procurement under these approved sub-projects would be done in accordance with IDA guidelines. Other training to be financed by IDA, including local training courses, seminars, workshops, study tours, and fellowships (US\$7.3 million equivalent) would be procured using regular Government procedures, subject to prior IDA review and approval.

109. IDA Review of Bid Packages and Contract Awards Bidding awards for goods and contracts valued at over US\$150,000 equivalent will be subject to prior review by IDA, as will all consultant contracts and training proposals. This represents about 98% of IDA financing for the project. Smaller packages will be subject to random post-award review by IDA. All project units will therefore be required to keep full procurement documentation on file for access by IDA as requested.

110. The project management unit within the Ministry of Justice and DAF within MAE would be responsible for the procuring of goods, consultants' services and training activities for their respective components. Intensive training for key staff in IDA procurement procedures will be given during a three day course in September, 1992, with follow-up training during project implementation as needed. Staff from all agencies participated in an introductory workshop on IDA procurement guidelines given in May, 1992, shortly after project appraisal. During the project launch workshop further training on procurement guidelines would also be given by IDA.

111. Since the first country implementation review, during which delays in procurement decisions were brought forward as one of the major obstacles to efficient country implementation, the following activities have been initiated:

- (a) The Roads and Coastal Shipping project carried out a country procurement assessment, co-financed by SIDA and staffed by ITC. The complete report is expected by the end of FY93.
- (b) A review of contract approval thresholds and procedures was carried out during 1991/92. This review and standard contracts are to be submitted to IDA under the agreed financial management plan of the Economic Recovery Credit.
- (c) During the mid-term review of the Economic and Financial Technical Assistance Project (Credit No. 2066-MOZ) in July 1992, a proposal to strengthen the department reviewing draft contracts in MINFIN would be considered.
- (d) Upon effectiveness of the Agricultural Services Project, scheduled to occur by end-September, 1992, the Ministry of Finance will be obligated to reduce the clearance period for draft contracts to a maximum of thirty days.

D. Disbursements

112. Disbursements from the IDA credits will cover the percentage of total expenditures as indicated in Schedule B.

113. The IDA credits will be disbursed over a period of about seven years (Schedule B) and major investments have been programmed for a period of five years. The project is expected to be completed on December 31, 1998, and the closing date is June 30, 1999. All applications to withdraw proceeds from the IDA credits will be fully documented, except for (a) contracts, purchase orders for goods and services or overseas training programs valued at less than US\$25,000 equivalent, (b) local training programs; and, (c) force account and operating costs. For these expenditures, disbursements will be made against certified statements of expenditure (SOE).

E. Accounts and Audit

114. **Special Accounts** In order to ensure that funds for the projects will be available as needed, two Special Project Accounts, one for each component, will be established by Government with a commercial bank acceptable to the Association. Decentralization from the Bank of Mozambique and by component will forestall unnecessary delays in disbursement of funds. Component special accounts will receive deposits from the credit for financing eligible

project expenditures (for items described in the above section D). Maximum values for each account have been estimated on the basis of three months of expenditures during the highest disbursing semester: US\$450,000 (Legal), and US\$400,000 (MAE). However, experience shows that such high values are unnecessary during the first year of the project. Therefore, initial amounts equal to one-half the maximum value allowed will be deposited by IDA after receipt and approval of withdrawal applications. Replenishment applications for the Special Accounts will be submitted monthly or as required by each implementing agency and will be accompanied by the full documentation except for items eligible for disbursement on the basis of certified statements of expenditure (SOE). Supporting documentation will be retained by project executing agencies and will be available for review as requested by the IDA supervision missions and project auditors.

115. **Audit** The Government's performance in auditing project accounts in IDA projects has not been generally satisfactory. Delays in carrying out audits that were experienced in the previous years of the projects are now being overcome as part of a larger effort to eliminate the backlog for all IDA projects in Mozambique. Assurances have been obtained from Government that all project accounts and Special Accounts will be audited by independent auditors acceptable to IDA and that all audited accounts, together with the auditors' report, will be submitted to the IDA not later than nine months after the end of each Government fiscal year. In auditing project accounts, the auditors will provide a separate opinion on SOEs and on the procedures and internal controls involved in their preparation. Project special accounts will also be audited. In the case of MAE, the audit may cover MAE's total program with SIDA and IDA, and probably also other donors, in addition to the normal IDA required audit. Similarly, the Government has agreed to annual financial and performance audits of the salary incentive fund. If practical, a similar effort to incorporate other donors' programs with the WG institutions into one audit might be organized.

IV. Project Implementation

A. Organization and Management

116. An Inter-Ministerial Committee (IC), established by the Prime Minister and presided over by the Minister of State Administration, will be responsible for the coordination of the Capacity Building Program in Mozambique, of which the proposed project and the companion project, Capacity Building Human Resources Development, make up two elements. Co-presidents of the Committee will be the Minister of Planning and the Minister of Finance. Its members will be the Ministers of Education, Justice, and Labor. The Rector of UEM and the Attorney General can be asked to join the IC. The IC will be responsible for formulation and coordination of the Capacity Building Strategy and for ensuring consistency and strengthening linkages among the four components of the two companion projects. Furthermore, the Committee will ensure that the projects adequately reflect and respond to the emerging policy changes in support of the capacity building process in Mozambique, particularly in the areas of incentives and housing. The planning unit in MAE will act as the technical secretariat for the Committee, which proposes to meet on a monthly basis, at least during the first year of project implementation.

117. In the spirit of building management capacity among the various institutions involved in project implementation, responsibility for implementation will be devolved as much as possible, with the locus of management effort being close to the direct beneficiaries. In practice, therefore, the Ministry of Justice and the UEM Law Faculty will take the lead in the executing of

the legal strengthening component; and the Ministry of State Administration will oversee the implementation of the public administration and management improvement component.

118. The MOJ is responsible for overall coordination and implementation of the legal component. The Working Group will oversee timely implementation of project activities. The WG is chaired by the representative of MOJ in his capacity as component manager and co-chaired by the Dean of the Law School, as alternate component manager. Decisions of the WG and day to day management will be carried out by (i) a Project Manager (5 years); (ii) Deputy Project Manager/Accountant (5 years); (iii) Administrative Officer/Procurement (5 years) and (iv) a bilingual secretary (5 years). As a condition of project effectiveness, this personnel would have been hired. To assist the WG in identifying legal resources and consultants not available locally and to coordinate with foreign legal institutions and bilateral or multilateral donors, resident legal advisory services will be provided by an expert, group of experts, or a local firm on a retainer basis to be selected by the WG in accordance with Bank guidelines for employment of consultants. Selection of a project advisor is a condition of effectiveness.

119. Technical responsibility for management of the public administration component will lie with the planning unit in MAE. The unit will be responsible for developing new policies and programs for civil service reform, in the areas of pay and incentives, job grading, career structures and promotion, recruitment, etc. The unit will also manage the management training fund to be established under the project. Day to day implementation responsibility will rest with DAF. Credit funds will strengthen this already existing department within MAE. An accountant will be recruited to take responsibility for donor projects and to deputize for the Chief of the DAF. An assistant accountant will back up the accountant and have particular responsibility for liaising with the Ministry of Finance and with the MAE component managers on the capacity building project's financial plans and expenditures. A supplies officer will head up the DAF's supplies section, including responsibility for all procurement under the IDA and SIDA projects within MAE. A computerized budgetary control system will be established within MAE's DAF, including the accounting for the IDA and SIDA projects. To assist in the revision of DAF procedures, to develop the computerized system, to train DAF and other MAE staff in the operation and use of the system and the reports, and to supervise overall implementation, the project will finance a local advisor for a period of two years, together with the necessary computer equipment and supplies. Short-term, local training in accounting, procurement and supplies management will also be provided for DAF staff. As a condition of effectiveness for the project, two staff in the policy unit will have been hired, as will the accountant for DAF. MAE's planning unit has been established, and terms of reference have developed for its functions as for the consultants assisting the unit. The legal evidence of the creation of MAE's planning unit will be furnished to IDA three months after effectiveness.

120. Organizational charts summarizing management structures and implementation schedules for each component can be found in Appendix 4 and in the draft implementation manuals.

B. Status of Project

121. For the two components, local project preparation teams were formed in mid-1991 to develop proposals consonant with previous implementation experience and realistic implementation capability. Project design has reflect lessons learned from previous implementation experience in Mozambique. This approach to preparation was also a learning experience for the local teams and helped to build a sense of ownership and motivation, which is

expected to carry on into the implementation phase. Consequently, the various implementing agencies are ready to start up the project, with a number of activities expected to go forward during the pre-effectiveness period, utilizing PPF financing.

122. IDA has granted a PPF advance of US\$750,000, in February 1992, for project preparatory activities for both Capacity Building Projects.

123. The MOJ and Law Faculty have used the PPF to sponsor a major planning workshop for the legal strengthening component, and key implementing personnel are expected to attend short courses abroad during the pre-effectiveness period, as part of their training and orientation. A second workshop will be held prior to effectiveness to refine a detailed plan of activities for the initial year of project implementation. As long as appropriate technical assistance is recruited in a timely manner, the WG will be ready to start implementing the component at effectiveness. In broad terms, during the first two years of the project, the WG will refine its strategic approach and determine the role of the legal profession in the Mozambican context and update it on an annual basis. During that period, lawyers will be exposed to other legal systems through short-term training and conferences abroad. The framework training program for lawyers, paralegals and staff of the legal institutions has been defined, and its implementation will start during the second year of project. The legal data-bases will be in place during the third year of the project. Support to the legal libraries will start during the first year and continue throughout. Support to legal reform and employment of highly specialized legal services to assist the Law School will be provided periodically during implementation, as the need arises.

124. In the area of public administration, many of the proposed civil service reform activities are already ongoing with SIDA funding and major consultant inputs from FUNDAP, and will simply continue or be augmented/accelerated with IDA support under the project. PPF funds may be utilized by the Ministry of Labour to obtain assistance in defining a vocational training strategy. Regarding management training, several discrete programs have already been identified (e.g., short course on project financial appraisal, distance education degree program in public administration), and are sufficiently advanced to get under way before, or coincident with, project effectiveness. Other management training will be identified and approved during the implementation period, at the rate of approximately 2-3 new training activities per year, or a total of 10-15 for the life of the project.

125. While both components have advanced in the preparation of their first year plans, submission of first year training programs will be a condition of disbursement. Training program proposals for the first year of the legal component are in the project file.

126. Agreed Actions. As a condition of negotiations, the Government prepared and reviewed jointly with IDA the draft Capacity Building Strategy. During negotiations, it was agreed with Government that (a) by October 31 of each year of project implementation, annual progress reports on the disbursement profile, financing plan, and fiscal consequences of the proposed salary incentive fund would be submitted to IDA, accompanied by an audit report prepared by independent auditors; (b) by the end of 1994, Government will complete and submit to IDA the draft plan for revising civil service career structures to include provincial and district experience as promotion criteria; an incentive policy to improve attractiveness of district posts; and that promptly thereafter, approve said plan, taking into account the recommendations made by IDA, and take all necessary administrative and institutional measures to implement said plan; (c) by November 30 of each year of project implementation, together with IDA, conduct an annual Project implementation review, with annual progress reports furnished to IDA by October 31 of

each year; and (d) by no later than November 30 of 1995 carry out with IDA a mid-term Project implementation review to update the Capacity Building Strategy and Capacity Building Action Plan and review the Project objectives taking into account the updated Strategy and Action Plan. There are three conditions of effectiveness: (i) Key project implementation staff are employed; (ii) The Project Advisor for the legal component has been selected, with experience and qualifications satisfactory to the Association; and (iii) that Government has furnished documentary evidence satisfactory to the Association, certifying Government's formal approval of its Capacity Building Action Plan. Conditions of disbursement for training will be the completion and approval by IDA of training programs for the first year of the Project, which shall include, inter alia, the following: (i) type and number of trainees; (ii) location and institution where training will be received; (iii) objectives and length of training activity; and (iv) estimated budget.

C. Monitoring, Reporting, and Evaluation

127. As mentioned in paras. 117-118 above, each component lead agency has designated a small group to serve as component manager, with responsibility for monitoring implementation. As part of the project launch exercise in late 1992, these component managers/management teams will develop clear indicators for monitoring progress (input, process, output, and impact indicators) on a six-monthly basis and will prepare trial formats for reporting semi-annual implementation progress. These indicators should be closely linked to the quantitative targets established for each component. Progress reports will also include comprehensive financial statements covering actual and planned expenditures, and the status of IDA payments/reimbursements.

128. Annual project implementation reviews will be conducted in order to facilitate effective coordination of the project components and allow for flexible responses to changing circumstances in Mozambique. Assurances were obtained from the Borrower during negotiations that not later than October 31 from 1993 on, each component will prepare an annual evaluation of project implementation and impact to be discussed during the annual project implementation review. Evaluation will take into account indicators and criteria defined during the project launch workshop. During each annual review, each component will refine detailed work plans for activities programmed for the subsequent year. Particular attention will be given to evaluating the impact of the salary incentive fund's impact on civil service staffing and performance.

129. To ensure that a complete stock-taking of project implementation performance and expected development impact is carried out during the project lifetime, the Government and IDA (with likely participation of other associated donor partners such as SIDA, DANIDA and USAID) will conduct a mid-term evaluation of the project in the second semester of 1995. The results of such an in-depth review will help to make mid-course improvements in implementation. The Borrower agreed during negotiations that not later than November 30, 1995, an in depth-evaluation of project implementation and impact will be prepared by each component as input for discussion during the mid-term project review. These reports, in addition to evaluating the indicators and criteria as defined above, should include any proposals for reallocation of credit funds.

130. A supervision plan, including mission scheduling and staffing needs, for IDA supervision missions, is provided in the Capacity Building Human Resources Development SAR (Report No. 10371, Annex V.7).

131. The Government will prepare a project completion report within six months of the completion date, based upon a format to be agreed with the IDA.

V. Benefits and Risks

132. The legal strengthening component will enable Mozambique to better define and structure the legal profession and related institutions, and will expose senior legal practitioners to other legal systems and teaching techniques which will be applied in Mozambique. The component will also improve the training and professional competence of lawyers, magistrates, and other legal workers in the country: altogether, about 200 judges, 300 court clerks, and 600 administrative staff will receive training; roughly 70 law teachers will attend courses on legal instruction; and 120 practicing lawyers will benefit from refresher training on specialized legal subjects.

133. The public administration component of the project will contribute towards improving the ability of the civil service to attract, retain, develop and effectively utilize qualified and experienced personnel. Through supporting policy and procedural reforms in the areas of career development, training and incentives, the project will encourage long-term commitment to a civil service career. The functional and staffing reviews and improvements to the personnel administration systems of sectoral ministries, will promote greater efficiency in the use of the scarce human and financial resources. The establishment of a Policy Unit within MAE will increase MAE's capacity to lead and direct a continuing program of civil service reform as well as to coordinate the implementation of the Government's overall capacity building strategy.

134. As the need for legal expertise grows in Mozambique, the few active professionals may gradually leave government agencies, adding to the burden of those who remain in the public sector. There is therefore a risk that the members of the WG for the legal component will change frequently, undermining continuity and adversely affecting project implementation. To offset this risk, the participating institutions will be required to select replacement representatives within a specified time period. In addition, an agreement has been reached establishing full time management staff within MOJ to carry out the decisions of the Working Group.

135. Similarly, the public administration component faces the risk that MAE's responsibilities for civil service reform, decentralization to local governments, and coordinating the government's overall capacity building effort, will over-burden the Ministry's limited capacity and lead to delays in implementation. This has been taken into account in project design, by developing a joint program with SIDA to ensure close coordination of activities and a single set of objectives and priorities, and by establishing a MAE policy unit (bolstered by technical assistance in the early years) to develop clear strategies to guide the public sector reform process and coordinate donor activities. Regarding the implementation of the salary incentive fund it is possible civil service payscales may not be adjusted over time to allow for the gradual incorporation of incentives into regular salary streams. Another risk is that insufficient financing will be available from the donor community to ensure continuity in the provision of incentives. To mitigate these risks, the project will provide technical assistance to monitor the performance of the incentive fund and to coordinate its implementation with ongoing reforms in civil service career structures. Regular donor coordination meetings will be held to help mobilize a steady flow of resources.

Mozambique
Capacity Building: Public Sector and
Legal Institutions Development Project

MANAGEMENT STRENGTHENING FUND

Eligibility Criteria

Target beneficiaries: The fund will be used to strengthen the management capacity of Government organizations/units and NGO professional organizations.

Areas of Focus: The fund will support interventions aimed at professional skill development, management system design and implementation, and organizational strategy development.

Activities: The fund may be used to support training (local and external), the conduct of special studies/analyses, seminars and conferences, and study tours.

Expense Categories: The fund may be used to cover costs related to consultant fees (either local or international) and expenses, consultants' counterpart expenses, training fees, local training implementation costs, travel and expenses of study tours, materials and minor equipment procurement essential for the effective implementation of the sub-project.

Maximum Costs: The maximum amount payable for any single sub-project is a U.S. dollar equivalent of \$1,000,000.

Maximum Duration: The maximum duration of the sub-projects is 5 years, corresponding to the effective period of the Capacity-Building Project.

Sub-Project Proposals

To be considered for funding, a proposal must be developed for each proposed sub-project and submitted to the MAE Planning Unit. A proposal should contain no more than 4 pages of text, excluding supporting annexes/tables). The proposal should contain the following information:

Background to the Proposed Sub-Project:

The problem or need to be addressed; other efforts that have been made or are currently being made to deal with the problem; description of any other factors that help to justify the proposal.

Previous Experience of Implementing Agency:

Brief description of the implementing agency's prior experience in areas related to the proposed activities.

Information on the Proposed Sub-Project:

The objectives of the sub-project; description and schedule of proposed activities; details of who will implement and who will manage the sub-project; how the sub-project will be evaluated.

Inputs Required:

Details of the resources required to implement the Sub-Project and how these support proposed activities.

Annexes:

**Budget detailing each category of expense
Terms of Reference for any proposed consultants
Any other information considered important for sub-project appraisal**

Evaluation Criteria

The MAE Planning Unit will evaluate proposals submitted according to the following criteria:

- 1. The Priority Attached to the Activity:** the extent to which the objectives of the proposed sub-project reflect the priorities established within the Government's Capacity Building strategy.
- 2. Institution Building:** the extent to which the sub-project will build local institutional capacity.
- 3. Cost Effectiveness:** the extent to which the proposed activities are relevant to the stated objectives of the sub-project and represent the most cost effective means of achieving these objectives.
- 4. Management Capability:** the extent to which the implementing agency has the management and technical capacity, and the experience to successfully implement the sub-project.
- 5. Potential Impact:** the extent to which the proposed sub-project will be supported by, or supportive of, other related programs thus enhancing its potential impact.
- 6. Sustainability:** the extent to which the activities funded under the sub-project will be able to be sustained, both financially and technically, following the termination of external support. (If applicable)

PROPOSED SALARY INCENTIVE FUND

1. As a follow-up to the analysis and recommendations of the Public Pay and Employment Sector Study and the Capacity Building Sector Study, GOM developed a proposal for a salary incentive fund for selected categories of staff in the public administration. The proposal is based on a further study carried out in December 1991 by a working group consisting of staff of MAE, CNP, MinLabour, and MinFin (with the assistance of a Norwegian consultant). During this period over 400 staff were interviewed, and salaries and benefits in comparator organizations collected.
2. The study's recommendation divided the public administration staff by levels of risk of losing them. Those most at risk, consist of the university trained (about 1600) and middle level technicians with over 6 years of experience (some 400). In addition, there is a small but crucial strategic group (maximum some 30 staff) whose presence in government has to be secured to enable the government to continue with economic and social policy development.
3. The interview results show that a combination of monetary incentives and access to housing would be the most motivating ones. For the strategic group, access to paid home and study leave travel was also considered.
4. The proposal calls for donor financing of US\$10 million annually, but the breakdown of the use of these funds for the different incentives is still approximate. Salary incentives for the "at-risk" group would amount to maximum US\$6.8 million; incentives to the strategic group might amount to about US\$1 million, and access to housing through construction of 50 to 100 houses in the provinces only as well as some contingencies would make up the remainder. More precise calculations on the last three lines in this US\$10 million budget are forthcoming.
5. The salary incentive would be based on a formula multiplying actual salary by the points obtained on a scale. Points are assigned for academic qualifications, length of service, level of responsibility and location of service. Those outside Maputo would receive at least 10 additional points, out of a maximum of 82.5 points.
6. This salary incentive would be retroactive to June 1992, paid in meticals, and adjusted automatically when government salary scales are adjusted. The sectors with a high concentration of staff who would benefit are, in descending order: education, health, agriculture, water and construction. Their staff make up about two-thirds of the staff "at risk" and their salaries would be doubled or in some categories tripled.
7. Next steps GOM proposal was accepted by the National Commission of Salaries and Prices in June, 1992. GOM sent all interested donors a letter requesting responses to commence the financing arrangements. Donors have requested (a) refining of cost estimates, especially on the distribution between provincial and Maputo/Matola based staff; and (b) elaboration of an implementation mechanism in MINFIN that is transparent, easy to audit annually (one audit to serve all donors jointly), and can accommodate donor budget support allocations from different sources. GOM will also have to organize its own budget support, e.g. countervalue from BOP, that would have to be available regularly as donor flows might be irregular at first.

8. The proposed salary incentive fund has been included as one of the actions to be taken under the Capacity Building Strategy, Program and, this project. It is shown as a project activity which is fully co-financed by other donors, as IDA is unable to finance recurrent salary expenditures which top up existing civil service staff. The inclusion of the salary incentive fund in the project enables some donors to contribute to the fund outside their country frame using multilateral trust fund arrangements. Other donors, such as Switzerland, could disburse part of their balance of payment support through this project.

Mozambique
Capacity Building: Public Sector and Legal Institutions Development Project

IDA and SIDA Financing of Public Administration and Development Management								
(Base Costs in US\$'000)	1992	1993	1994	1995	1996	1997	TOTAL	Percent Shares
MAE Planning Unit								
IDA	0	75	150	130	25	25	405	38%
SIDA	100	200	200	100	25	25	650	62%
Total	100	275	350	230	50	50	1055	
Personnel Administration								
IDA	0	400	674	398	138	80	1690	45%
SIDA	457	568	376	377	162	120	2060	55%
Total	457	968	1050	775	300	200	3750	
MAE Institutional Strengthening								
IDA	0	163	246	216	195	194	1014	39%
SIDA	180	370	370	270	270	100	1560	61%
Total	180	533	616	486	465	294	2574	
Civil Service Org. & Mgmt. Project								
IDA	0	0	0	0	0	0	0	0%
SIDA	250	250	500	500	250	0	1750	100%
Total	250	250	500	500	250	0	1750	
TOTAL SUPPORT	987	2026	2516	1991	1065	544	9129	
Share Financed by IDA	0%	31%	43%	37%	34%	55%	34%	
Share Financed by SIDA	100%	69%	57%	63%	66%	45%	66%	

Mozambique
Capacity Building: Public Sector and Legal Institutions Development Project

PROJECT COSTS BY EXPENDITURE CATEGORY

	Contos			USD			% Foreign Exchange	% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total		
I. INVESTMENT COSTS								
A. Project Prep. Facility	42	869	911	21	435	455	95	3
B. FURN/EQUIP/VEHICLES								
1. EQUIPMENT	36	682	718	18	341	359	95	3
C. Supplies and Materials	60	1149	1210	30	575	605	95	4
D. TECHNICAL ASSISTANCE								
1. LOCAL CONSULTANTS	354	1177	1531	177	589	765	77	6
2. FOREIGN CONSULTANTS	1387	4364	5751	694	2182	2876	76	21
3. LEGAL CONSULTANTS	192	448	640	96	224	320	70	2
Sub-Total	1733	5989	7922	966	2995	3961	76	29
E. TRAINING								
1. LOCAL SEMINARS/WORKSHOPS	468	1093	1562	234	547	781	70	6
2. LOCAL TRAINING	1284	2997	4281	642	1498	2140	70	16
3. STUDY TOURS	95	1797	1892	47	899	946	95	7
4. FELLOWSHIPS	66	1254	1320	33	627	660	95	5
Sub-Total	1913	7141	9055	957	3571	4527	79	33
F. STUDIES	55	129	184	28	64	92	70	1
G. OPERATING COSTS	133	57	190	67	28	95	30	1
H. Fund	300	5700	6000	150	2850	3000	95	22
Total INVESTMENT COSTS	4472	21717	26190	2236	10839	13095	83	96
II. RECURRENT COSTS								
A. OPERATION & MAINTENANCE								
1. EQUIPMENT O & M	316	474	790	158	237	395	60	3
B. SUPPLIES AND MATERIALS	0	0	0	0	0	0	0	0
C. Operating Expenses	245	105	350	123	52	175	30	1
D. Incremental Salaries	36	0	36	18	0	18	0	0
Total RECURRENT COSTS	597	579	1176	298	290	588	49	4
Total BASELINE COSTS	5069	22296	27366	2535	11148	13683	81	100
Physical Contingencies	834	2764	3599	417	1382	1799	77	13
Price Contingencies	2607	10425	13032	405	1624	2028	80	15
Total PROJECTS COSTS	8511	35486	43997	3356	14154	17510	81	128

Values Scaled by 1000.0 - 7/27/1992 16:16

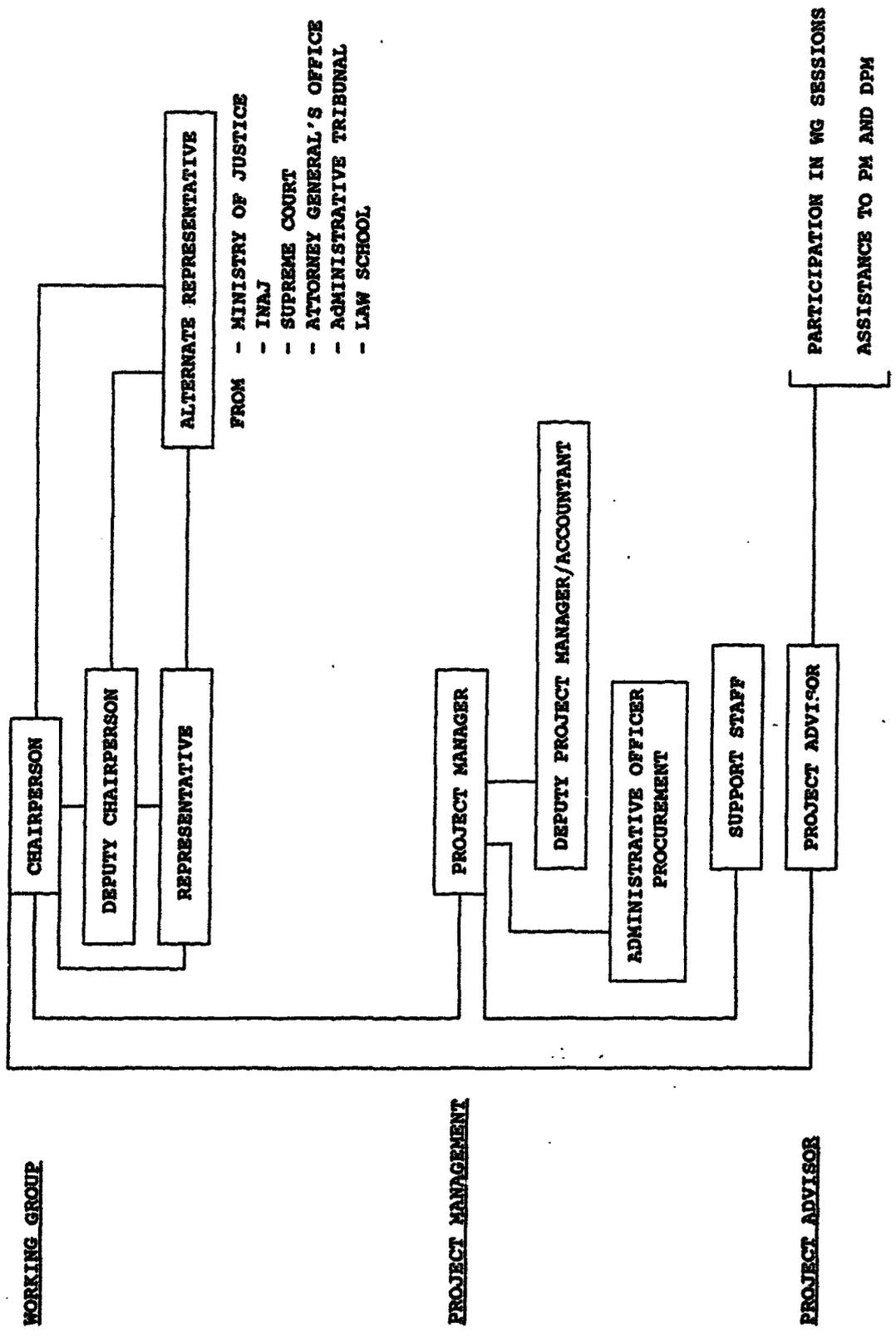
Mozambique
Capacity Building: Public Sector and Legal Institutions Development Project

TAXES AND DUTIES TO BE PAID BY MOZAMBICAN GOVERNMENT

	TOTAL COSTS (US\$'000)	TAXES AND DUTIES %	TOTAL TAXES AND DUTIES (US\$'000)
INVESTMENT COSTS			
Equipment	0.42	73.5	0.31
Supplies and Materials	0.72	63.5	0.46
Foreign Tech. Assistance	3.83	0.0	0.00
Local Tech. Assistance	1.49	0.0	0.00
Local Training	7.57	0.0	0.00
Study Tours	1.30	0.0	0.00
Fellowships	0.92	0.0	0.00
Studies	0.12	0.0	0.00
Operating Costs	0.11	10.0	0.02
PPF	0.30	0.0	0.00
RECURRENT COSTS			
Equipment O & M	0.47	58.8	0.27
Operating Expenses	0.24	10.0	0.02
Incremental Salaries	0.02	30.0	0.01
TOTAL	17.50		1.08

Mozambique
Capacity Building: Public Sector and Legal Institutions Development Project

PROJECT IMPLEMENTATION STRUCTURES (SLCC)



WORKING GROUP

PROJECT MANAGEMENT

PROJECT ADVISOR

- FROM - MINISTRY OF JUSTICE
 - INAJ
 - SUPREME COURT
 - ATTORNEY GENERAL'S OFFICE
 - ADMINISTRATIVE TRIBUNAL
 - LAW SCHOOL

PARTICIPATION IN WG SESSIONS
 ASSISTANCE TO PM AND DPM

IMPLEMENTATION SCHEDULE (SLCC)

PROJECT IMPLEMENTATION STAFF

1. PROJECT MANAGER, who will : (a) prepare annual action programs and integrate annual reports to be submitted at Project reviews; (b) ensure coordination among WG members; (c) supervise procurement of goods and services and assist in the selection, contracting and supervision of consultants; and (d) manage and supervise office staff.

2. DEPUTY PROJECT MANAGER, who will : (a) keep financial records and Project accounts, manage Special Account and prepare withdrawal applications; (b) prepare documentation to be audited; and (c) ensure timely payment of suppliers and contractors.

3. ADMINISTRATIVE OFFICER/PROCUREMENT, who will : (a) carry out day-to-day administrative duties; and (b) carry out all procurement procedures under the Component.

4. PROJECT ADVISOR, who will : (a) assist in identifying and negotiating with foreign experts, professors and relevant legal and academic institutions; (b) coordinate local training activities carried out by foreign professors; and (c) assisting project management staff in fulfilling Project objectives.

KEY ACTIONS TO BE UNDERTAKEN BY LEGAL INSTITUTIONS

Year 1, 1993:

3 m. after effectiveness: employ Project Advisor
3 m. after effectiveness: action program and budget for professional training
6 m. after effectiveness: TOR for diagnostic studies
6 m. after effectiveness: employ Administrative Officer/Procurement and support staff
February 1 : training programs
June 30 : draft agenda and budget for strategic workshop
September : twinning arrangements
2 weeks before workshop : report on legal information system by consultants employed under PPF
October 31 : strategic workshop
November 30 : TOR for studies on CEJ
December 30 : description and budget for books, materials and equipment

Year 2, 1994:

1st quarter : action program and budget for professional training
February 1 : training programs
December 30 : description and budget for books, materials and equipment

Year 3, 1995:

1st quarter : action program and budget for professional training
February 1 : training programs
June 30 : draft agenda and budget for strategic workshop
October 31 : strategic workshop
December 30 : description and budget for books, materials and equipment

Year 4, 1996:

1st quarter : action program and budget for professional training
February 1 : training programs
June 1 : National Conference on the legal profession
June 30 : draft agenda and budget for strategic workshop
October 31 : strategic workshop
December 30 : description and budget for books, materials and equipment

Technical Assistance Chart/

<u>Short Description</u>	<u>Type of Contract</u>	<u>Status or Next Step</u>
<u>SIACC</u> <u>Strategic workshops</u> to update and refine strategic development of legal institutions, to review progress in implementation of strategy and coordinate training programs among institutions	Indiv I/L	TOR agreed on for first year
<u>Law School diagnostic studies</u> to define teaching methodology and design improvements and to design a comparative legal terminology system and training program	Indiv or Inst. I	TOR 6m after effectiveness
<u>Feasibility studies for CEJ</u> to assess the institutional, financial and technical viability of setting up the CEJ; define inter-institutional responsibilities among beneficiary institutions and evaluate capacity to maintain CEJ	Indiv or Inst. I	TOR to be developed by consultant and study visits under PPF
<u>Legal Reform Program</u> to update and streamline commercial, financial, administrative and environmental legal and regulatory framework; to improve legal drafting techniques and contract negotiations capabilities	Indiv or Inst. I/L	To be developed as needs are identified by MOJ
<u>Legal Libraries</u> to assess status of existing legal libraries; design loan systems; and train local counterparts in operation and maintenance of systems	Indiv/I	TOR agreed on

1/ Additional individual or institutional technical assistance contracts may be let under the training programs, either for development of training modules, or for the actual delivery of training.

Short Description	Type of Contract	Status or Next Step
<u>Legal Information Systems</u> to select appropriate computerized legal data base; design techniques for computer storage and retrieval of laws, regulations and case-law; set-up standard legal documents and contract clauses data bank; and train local counterparts to maintain system	Indiv/I	TOR agreed on
<u>Institutional Development</u> to assist emerging legal institutions (Bar Association, Administrative Tribunal, MULEIDE) in starting-up their new programs, legal assistance and strengthen their administrative and technical capabilities	Indiv or Inst I/L	To be developed by WG as program evolves
<u>Project Management</u> to strengthen the legal institutions represented in the Working Group to manage the Project and coordinate all relevant assistance received from different donor institutions	Indiv I/L	TOR agreed on positions advertised
MAE		
<u>Civil Service Personnel Administration</u> by System. Technical and administrative support for Phase II of program, covering extension of personnel system to all other sectoral ministries at both the central and provincial levels.	Inst/I	Consultants contracted SIDA

<u>Short Description</u>	<u>Type of Contract</u>	<u>Status or Next Step</u>
<u>MAE Planning Unit</u> to support the Unit in the development of a phased plan and implementation of the National Capacity Building Strategy	Indiv/I and L	TOR prepared, one consultant hired by SIDA
<u>MAE Institutional Strengthening.</u> Assistance in the revision of DAF procedures, development of a computerized system, training of DAF and other MAE staff and supervision of overall implementation. Assist in monitoring Salary Incentive Fund	Indiv/L	Detailed TOR to be prepared by Planning Unit

KEY ACTIONS

Year 1, 1993:

- 3 m. after effectiveness : establish Planning Unit with staffing and responsibilities
- December 31 : employ staff to carry out DAF's implementation tasks (accountant, assistant accountant, procurement office and local information systems advisor) of Project
- : employ staff for MAE's Planning Unit
- : develop MAE's DAF computerized budgeting control system

Year 2, 1994:

- December 31 : training strategy for public administration
- : proposals for public administration career structure
- : incentive policy re. district posts
- : MAE's institutional development strategy

Year 3, 1995:

- June 30 : revised regulations on civil service
- : training plan for Human Resource Units
- December 31 : training of trainers for Human Resource Units.

Mozambique
Capacity Building: Public Sector and
Legal Institutions Development Project

LIST OF REFERENCE DOCUMENTS FOR PROJECT FILE

Strengthening Legal Capabilities

1. Letters to donors requesting financial support to cofinance preparation activities for the SLCC. April, 1992.
2. Training for the Judiciary Program prepared by the Legal Institutions. April, 1992.
3. Description of activities for 1992 of the Women lawyer's Association "Muleide". November 1991.
4. By-laws of Muleide. December 1991.
5. International seminar to define strategy for legal training for the Law school and the Judiciary in Mozambique. February 1992.
6. Lei Organica dos Tribunais Judiciais (law regulating the Judiciary). October 1991.
7. Institutional organisation of the Attorney General's office. Official Gazette of Mozambique No. 23 of June 5th, 1991.
8. Action plan for the Attorney General's office from February to June, 1992. February 6, 1992.
9. Lei dos Tribunais Comunitarios (law regulating Community Tribunals). October 1991.
10. Curriculum of the Law School at University Eduardo Mondlane.
11. Sample questionnaire to determine legal training needs.
12. Itinerary USA Study Tour of Dean Law School, PPF financed
13. New Mexico Judicial Education Center, Mission statement
14. Proposal for feasibility study of Center for Judicial Studies, Mozambique
15. Description and Assessment of Training Programs for the Judiciary and the Law School, 1992

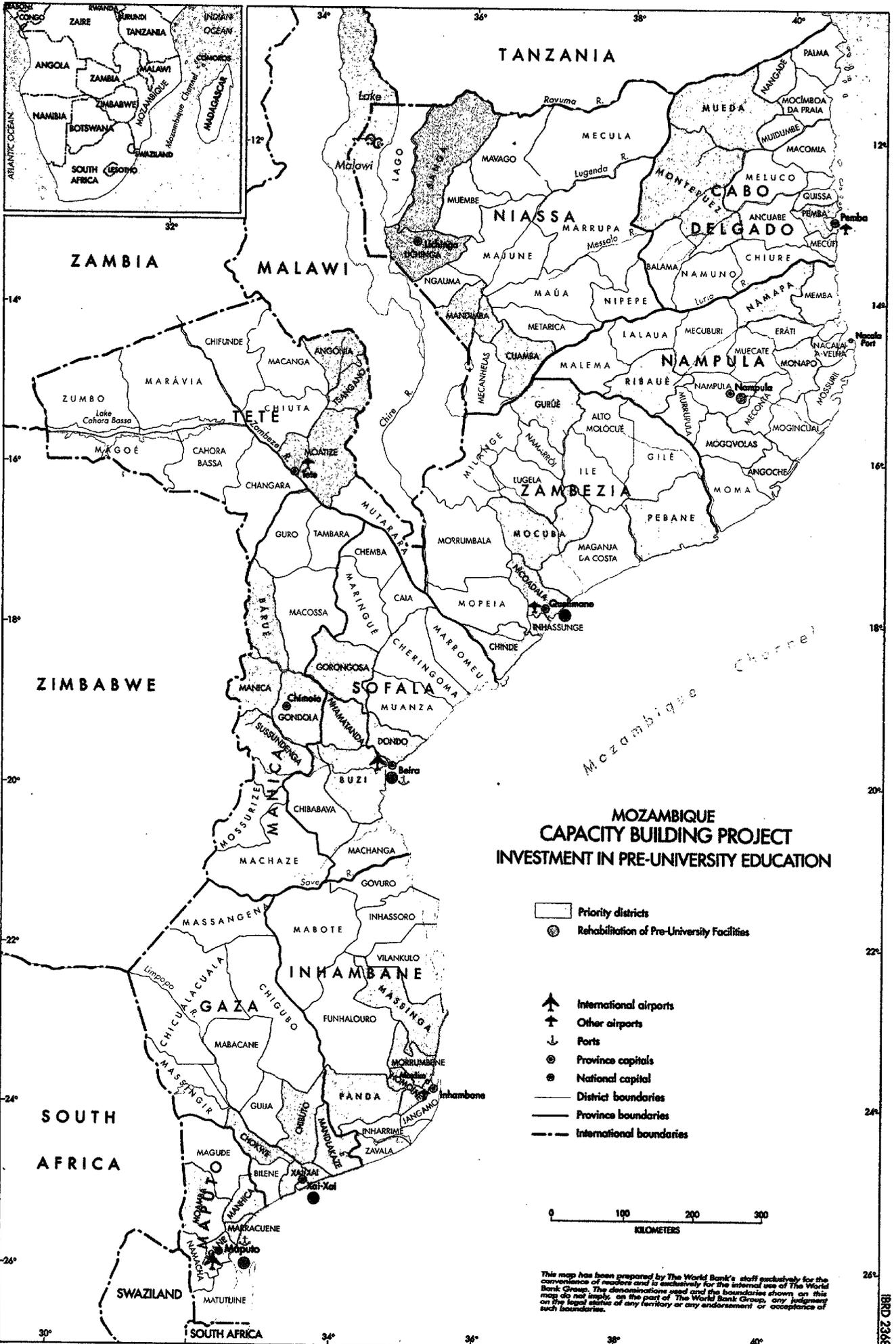
16. Law and computers. Description of proposed functions, training needs and costs.
17. Technical Assistance: Synopsis of Terms of Reference
18. Project Implementation Structures; Terms of reference for Working Group, Project Manager, Deputy Project Manager/Accountant, Administrative Officer/Procurement and Project Advisor
19. Monitoring and evaluation indicators for SLCC

Public Administration and Development Management

1. Sistema Nacional de Educação, Republica Popular de Moçambique, November 1981.
2. UNDP/EDI/ILO Program for Strengthening Training Institutions in Africa, UNEDIL, 1989.
3. Technical Education in Mozambique with Special Emphasis on the Institutes in Beira and Maputo: A Project Proposal, Kent Deivard and Mats Hultin-Craelius, May 1991.
4. Documento/Proposta. Segunda Fase: 1991/93, Pedro Chaves, November 17, 1990.
5. Centro de Formação em Gestão Pública Local, M.A.E./C.E.E./SISMET, February 18, 1991.
6. Review of Accelerated Accountancy Training Proposal, Arthur D. Little in accordance with the Government of the People's Republic of Mozambique, December 1990.
7. Formação no Sector de Construção e Águas, Moçambique, Anton Johnston, August 1990.
8. Uma Vista Sobre a Formação Profissional Nos Centros Pilotos da SETEP, Gilberto Antero Botas, 1990.
9. Pesquisa Sobre o Mercado de Trabalho em Maputo Atraves da Analise das Ofertas de Emprego por Meio da Imprensa, Riccardi Tatasciore, 1990.
10. The Development of Competence in Three Industrial Rehabilitation Projects in Mozambique, Clay Norrbin, Börge Wallberg, Lennart Wohlgemuth, September 1988.
11. Demand, Supply and Training on Manpower in Mozambique, Luzeta Adorna, January 1991.
12. Capacity-building in Mozambique: The Commonwealth Contribution, Commonwealth Secretariat, 1991.

13. Training Needs Assessment in Provincial Planning and Financial Management, Sue Fleming and Masao Kindiano in accordance with the Commonwealth Secretariat, Maputo, April 1991.
14. AMTIESA Development Plan: 1991-1996, AMTIESA Secretariat, August 1990.
15. Assistance to the Ministry of Finance in Mozambique, "Improving Financial Management: The Budget Project", September 8, 1988.
16. Controlo de Gestão, Centro de Formação Industrial (CFI), August 1991.
17. Summary of Observations and Recommendations of a Review Mission Visiting Technical and Commercial Schools in Mozambique, DANIDA, March 1991.
18. Southern African Development Coordination Conference, "MRU Study on the Special Needs of the SADCC Lusophone Countries for Public Administration and Management Skills and Training", Coopers & Lybrand associates, June 1990.
19. Annual Report 1990: Education, Culture & Public Administration, SIDA, June 1991.
20. Programa de Reforma dos Orgaos Locais, República Popular de Moçambique, December 1990.
21. Documento Preliminar para Discussão: 1ª Versão, Instituto Nacional de Desenvolvimento da Administração Pública, August 1988.
22. Capacity Constraints in the Senior Civil Service: Assessment and Recommendations, J. Tait Davis, May 1991.
23. Ponto de Situação: Sumário, República Popular de Moçambique, April 1990.
24. Quadro de Tecnicos Superiores e de Direcção, República Popular de Moçambique, January 1990.
25. Reestruturação Salarial no Aparelho do Estado - Ponto de Situação, República Popular de Moçambique, May 1990.
26. Procedimentos Adoptados para a Elaboração da Tabela Salarial Unica, República Popular de Moçambique, May 1990.
27. Contagem de Tempo de Serviço e Controlo da Efectividade Manual de Procedimentos, República Popular de Moçambique, August 1990.
28. Estatuto Geral dos Funcionários do Estado, República Popular de Moçambique, May 1987.

29. Levantamento e Sistematização dos Fluxos Básicos do Sistema, República Popular de Moçambique, December 1989.
30. Action Plan for Restructuring of Civil Service Career Structure, MAE, 1992
31. Descriptions of Sub-Project Proposals for Management Strengthening Fund.



This map has been prepared by The World Bank's staff exclusively for the convenience of readers and is exclusively for the internal use of The World Bank Group. The designations used and the boundaries shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.