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IMPLEMENTATION COMPLETION REPORT

REPUBLIC OF MOZAMBIQUE

**LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT
(CREDIT 2530-MOZ)**

(October 12, 1999)

**Water and Urban 1
Africa Region**

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CURRENCY EQUIVALENTS

Currency Unit = Metical (pl. Meticaís)
US\$1 = 2,910 Meticaís (at time of appraisal, January 1993)
US\$1 = 12,475 Meticaís (at time of ICR, June 1999)
US\$1 = SDR 0.747 (at time of ICR, June 1999)

FISCAL YEAR OF BORROWER

Calendar year

ABBREVIATIONS AND ACRONYMS

CG	Inter-ministerial Coordinating Group
CIUEM	Information Technology Center Edoardo Mondlane University (Portuguese acronym)
CNA	Commission on the Environment (Portuguese acronym)
COM	Council of Ministers
DNAL	Directorate of Local Administration (Portuguese acronym)
IDA	International Development Association
GDP	Gross domestic product
GTL	Local Technical Support Units (Portuguese acronym)
HABITAR	Agency to manage urban rehabilitation contracts for MOPH
IMC	Inter-ministerial Committee
INPF	Institute for Physical Planning (Portuguese acronym)
MAE	Ministry of State Administration (Portuguese acronym)
MICOA	Ministry of Environment (Portuguese acronym)
MOP	Memorandum of the President (PROL project document)
MOPH	Ministry of Public Works and Housing (Portuguese acronym)
MOL	Ministry of Labor
MPF	Ministry of Planning and Finance (Portuguese acronym)
NGO	Non-Governmental Organization
PIU	Project Implementation Unit
PROL	Local Government Reform and Engineering Project (Portuguese acronym)
PRU	Urban Rehabilitation Project (Portuguese acronym)
SISGEF	Municipal Finances Management System (Portuguese acronym)
TSU	Technical Support Unit
WG	Working Group

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IMPLEMENTATION COMPLETION REPORT

MOZAMBIQUE

LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT (CREDIT 2530-MOZ)

PREFACE

This is the Implementation Completion Report (ICR) for the Local Government Reform and Engineering Project in Mozambique, for which Credit 2530-MZ in the amount of SDR 16.4 million was approved in May 1993, and made effective in July 1994.

The credit was closed on March 31, 1999, one year after the original closing date. At the time of the extension SDR 3.6 million was cancelled. The final disbursement took place on August 17, 1999, and a balance of SDR 3.3 million is to be canceled.

The ICR was prepared by Jocelyn Mason (Consultant) under the guidance of Alan Carroll (Principal Urban Development Specialist) of the Urban and Water Group (AFTU1), Africa Region, and reviewed by Phyllis Pomerantz, Country Director, and Jeffrey Racki, Sector Manager. The borrower provided comments that are included as appendixes to the ICR.

Preparation of this ICR was begun during the Bank's final supervision/completion mission in February 1999. It is based on material in the project file and interviews with officials of the borrower and Bank staff. The borrower contributed to preparation of the ICR by inviting the Bank mission to a project evaluation seminar, and by contributing its own evaluation report.

The Government's evaluation report on the project, attached as Appendix B, basically concludes that the project's principal objective was achieved. A draft of this ICR was sent to the Government for comments, but none were received.

IMPLEMENTATION COMPLETION REPORT
REPUBLIC OF MOZAMBIQUE
LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT
(Credit No. 2530–MZ)
EVALUATION SUMMARY

BACKGROUND

1. In 1992 Mozambique was emerging from a 17 year civil war. While worse in rural areas, the effects of the war were nevertheless acute in urban areas where crumbling infrastructure and housing stock and weak institutions were unable to accommodate the large inflow of refugees. Since 1989, IDA had been supporting the Government to address these problems with an Urban Rehabilitation Project (PRU, Cr. 1949) to rehabilitate basic infrastructure and build capacity among public authorities. IDA lending to Mozambique had begun with support to the country's economic reform program with the Rehabilitation Program (Cr. 1610) in 1985 and the Second Rehabilitation Program (Cr. 1841) in 1987. The adjustment process was accompanied by a series of investment projects, of which PRU was one, aimed at mitigating the social effects of adjustment and the effects of the civil war. At the same time as it was undertaking economic reform, the Government was entering on a major program of strengthening its public administration which included decentralization as a cornerstone. The Local Government Reform and Engineering Project, known by its Portuguese acronym PROL, therefore emerged from two separate themes, the first relating to urban rehabilitation and management, the second relating to supporting Mozambique's decentralization program through legal and policy reforms. These two themes converged with the preparation of the PROL project.

PROJECT OBJECTIVES

2. According to the Memorandum of the President, the overall objective of the project was to support the Government of Mozambique's decentralization program by assisting with its municipal reform and capacity building initiatives. The reforms were to focus on the legal, institutional and fiscal framework of local government in order to create a suitable structure for self-sufficient and accountable local authorities, and to include support for municipal development programs and pilot projects in five urban areas. The project comprised four components, under the direction of the Ministry of State Administration's National Directorate for Local Administration. Two, Legal and Institutional Reform and Fiscal, Financial and Organizational Reform, covered legal, policy, and institutional reform. The third, Urban/Environmental Management, covered local planning and public investments, including municipal development plans in each city and physical pilot projects. The fourth was Capacity Building, Institutional Support, and Project Management.

IMPLEMENTATION EXPERIENCE AND RESULTS

3. The project, approved in June 1993, became effective in July 1994 and closed on March 31, 1999 after one twelve month extension. Of the credit amount of SDR 16.4 million, SDR 3.5 million was cancelled in December 1997. Total project costs were \$13.9 million as compared to \$24.5 million. By category, the most significant deviation from appraisal estimates concerned the provision for consulting services, estimated at appraisal at about \$6.7 million as compared to about \$9.5 million eventually disbursed.

4. The PROL project achieved its main stated objectives. It supported the drafting of the legislation, known collectively as the *Pacote Autárquico*, enabling the 33 provincial capitals, cities and towns to be governed independently by elected Assemblies and Presidents. Work under the PROL involved reviewing the legal, functional and administrative framework for local government, evaluating the fiscal, financial and organizational framework, and formulating and implementing the institutional reform program embodied in the new legislation. Some of the necessary regulations to make the laws functional, as well as legal follow-up work were also drafted under PROL. Finally, PROL was responsible for developing a new computerized financial management system for municipal finances. Key regulations to implement the legislation remain to be drafted or are incomplete. In addition to the reforms under the first two components, the main achievement under the third component was the production of structure plans for each of the five cities, but none of the physical pilot projects under the third component were implemented.

5. The project achieved its objectives despite problems which included exogenous events, flawed project design, deficient performance on the part of the Bank, and weak management on the part of the borrower. The project overcame these obstacles largely because decentralization had acquired its own political momentum, grounding the project in an environment of high Borrower commitment to its basic objectives. The project also benefited from an atmosphere of general donor community support for decentralization in the country.

6. Several factors limited the quality and quantity of some outputs. First, the constitutionality of the original 1994 legislation creating autonomous local governments was challenged, leading to a two year delay in the municipal elections. In the event, these elections were held in June, 1998, eight months before the (extended) close of the project. Second, the third component, involving local pilot studies and investments nominally under the Ministry of Works and Housing, proved too difficult to implement effectively, although much important preparatory work was done and structure plans for each city were completed. Third, the project's management structure was fragmented and not properly coordinated. Fourth, despite an effort to design the project flexibly to allow for a better reflection of the borrower's evolving needs, the project did not adequately take account of the political risks that would affect the timetables for a majority of the outputs. Fifth, difficulties in the relationship between the borrower and the Bank had a negative effect on implementation performance during the project's entire life span. Borrower performance was inhibited by a rapid turnover of task managers during design and by what it perceived to be the Bank's bureaucratic and unconstructive approach to supervision. The Bank's ability to provide positive and substantive input

was hampered by weaknesses on the part of the borrower that caused process issues to absorb supervision resources, and a major Bank reorganization during 1996-97 which played a role in diverting management's attention from the problems in the borrower-Bank relationship. The mid-term review did lead to some minor changes to the design of the project, but both the Bank and the Government missed the opportunity to fundamentally restructure the project to accommodate for the delays in the political arena and the evident weaknesses in the third component.

SUMMARY OF FINDINGS, FUTURE OPERATIONS, AND KEY LESSONS LEARNED

7. The objective of supporting the Government's decentralization program was appropriate and was largely achieved. However, it represents only the first practical steps in Mozambique's long term decentralization program. Additional support will be needed to complete the legal and regulatory framework, to build the capacity within the municipal governments to meet their new challenges, and to expand the scope of municipal government authority. The Government, supported by the Bank, is preparing a Municipal Development Program to address these issues over the long term. Key lessons learnt from the PROL are the following:

- The project was successful in achieving its stated objectives and outcomes, despite problems in the performance of both the Bank and the Borrower and the political difficulties of the process. The PROL project demonstrates that such obstacles can be overcome if commitment on the part of the client at the policy-making level is high.
- The project's design was limited by a more restricted array of instruments for bank support than is currently available. The use of the Engineering Credit instrument, which is intended to be used as a precursor for large investment projects, did not provide the flexibility (in light of political changes, for example) needed in the PROL or allow for the sort of learning and long-term support that the LIL or APL instruments could provide today.
- The risks of the PROL were inadequately assessed and managed. The political risks and uncertainties of such a fundamental governance reform (decentralization) should have been taken into account through a more flexible project design. The implementation risks of Component 3 were not properly handled. The Bank and the Government should have undertaken a fundamental restructuring of the project after the postponement of the municipal elections.
- The success of such projects (geared toward political and governance reforms) are especially dependent on a high level of trust between the Bank and the borrower. The Bank should be more careful to monitor and promptly address any problems in the relationship.
- Projects that include several components coordinated by more than one ministry face difficulties in a capacity-constrained environment, both in terms of borrower coordination and Bank supervision. More streamlined

management structures, preferably with one clearly defined responsible ministry, are essential.

- Where implementation capacity is especially scarce, projects should ensure that local staff have the necessary skills, perhaps developed through an initial period devoted to training those responsible for the management of the project. In addition, Bank supported projects should take better note of the risks associated with the availability of counterpart funds, and should be designed to include more effective mechanisms for the prompt provision of counterpart funds.

REPUBLIC OF MOZAMBIQUE

LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT

(Credit No. 2530–MZ)

IMPLEMENTATION COMPLETION REPORT

PART 1 – PROJECT IMPLEMENTATION ASSESSMENT

A. BACKGROUND

1. The Local Government Reform and Engineering Project, known by its Portuguese acronym PROL, emerged from two separate themes of Bank support for Mozambique's development. The first relates to the rehabilitation of Mozambique's badly deteriorated cities. Mozambique was and remains one of the poorest countries in the world, the results of a seventeen year civil war and misguided economic policies. The impact of the civil war was severe in urban areas, where under-funded and crumbling infrastructure had to meet the demands of a rapidly growing population of refugees from the countryside. In 1987, the Government with IDA assistance, introduced reform efforts to reverse the decline in GDP through macroeconomic and fiscal stabilization, growth incentives, and a specific focus on poverty alleviation. The adjustment process was supported by a series of investment projects that, although not classified technically as emergency projects, contained the elements of such projects, including simplified and shortened implementation schedules under defined action plans aimed at mitigating the social effects of adjustment and the effects of the civil war. Among these was the Urban Rehabilitation Project (PRU, Cr. 1949) to rehabilitate basic urban infrastructure and build capacity among Mozambican public authorities. PRU became effective in February 1989 and closed in October 1996.¹

2. The second theme relates to reforming the governance of a country emerging from civil war and a command economy. Mozambique, both under Portuguese colonial rule and since independence, had been, formally, highly centralized, but the practical reality of the country had defied effective centralized control. Colonial rule had to constantly contend with strong centrifugal forces, and during the civil war the central government exerted only weak control over large portions of the country. With peace in 1992, the central government in Maputo was able, almost for the first time, to extend its reach over the entire country. Nevertheless, decentralization became a central tenet of Government policy to deal with the practical reality of providing services, particularly in remote areas, as a way of strengthening national unity and exercising effective control over the country.

3. The principles of decentralization were introduced into law in 1994, but municipal elections were delayed until June 1998. In the intervening period, the Government reduced the scope of decentralization, adopting an incremental approach in which, initially, elected, self-governing municipalities were created for a limited number of cities

¹ See the Implementation Completion Report for this project, Report No. 16747 dated June 20, 1997.

and towns, and the central government remains responsible for the provincial and district administrations. The process adopted over this period was "gradualism", introducing an open-ended schedule for transferring authority to subnational levels. The municipal elections of June 1998, in 33 cities, towns and *vilas*, were boycotted by the leading opposition Renamo party and a majority of the minor parties, and the abstention rate was almost 86 percent for reasons that are not yet fully understood. However, the newly elected municipal assemblies and presidents were sworn in in August 1998 and have continued functioning.

B. PROJECT OBJECTIVES AND COMPONENTS

4. The two themes of previous Bank support to Mozambique described above, urban rehabilitation and decentralization, converged with the preparation of the PROL project, and are reflected in the project objectives. According to the Memorandum of the President (MOP), the overall objective of the project was to support the Government of Mozambique's decentralization program by assisting with its municipal reform and capacity building initiatives. The reforms were to focus on the legal, institutional and fiscal framework of local government in order to create a suitable structure for self-sufficient and accountable local authorities, and were to be implemented on a pilot basis in five urban areas designated as project cities. Secondary objectives were to: (i) assist the Government to create an appropriate policy framework for investment in the urban sector; (ii) prepare urban investment plans for the five project cities, including plans for the efficient management, rehabilitation, and financing of essential urban infrastructure and services; (iii) test specific, replicable approaches to solving entrenched urban problems (including absorption of rural migrants, environmental degradation, and low cost transportation); and (iv) coordinate the work of donor agencies, multilaterals and NGOs in the urban and local government sectors.

5. The project had four components:

- a. Legal and institutional reform, which included: (i) transforming the existing legal, functional and administrative framework of local government; and (ii) formulating and implementing an efficient institutional reform program to improve the capacity of municipalities to plan, manage and maintain efficient urban infrastructure and services.
- b. Fiscal, financial and organizational reform which included: (i) evaluating the present fiscal, financial and organizational performance of local government in such areas as intergovernmental responsibilities for financial management, intergovernmental fiscal transfers, existing and potential sources of revenue and the equity and effectiveness of revenue generating instruments, and the effectiveness of existing organizational and staffing arrangements; (ii) designing an action plan for effective implementation of recommended financial and organizational reforms; and (iii) ensuring coordination of these reforms with those proposed for the legal and institutional aspects of local government.

- c. Urban/environmental management, which included: (i) formulating municipal development programs for each of the five cities; and (ii) carrying out pilot projects in the five cities, specifically land mapping in all five urban areas, land information systems in Maputo, non-motorized transport in Beira, environmental rehabilitation in Nampula, and neighborhood upgrading in Pemba.
- d. Capacity building, institutional support and project management, which included operating costs, vehicles, equipment, and technical assistance to the Ministry of State Administration (MAE), to the project cities, and to the former Ministry of Construction and Water (now Ministry of Public Works and Housing, MOPH).

6. MAE had overall responsibility for implementation, assisted by three Working Groups (WGs): WGI for Legal and Institutional Reform, WGII for Fiscal and Financial Reform, and WGIII for Urban and Environmental Management. Overall policy guidance and coordination was to be provided by an Inter-ministerial Committee (IMC). Links between the WGs was to be provided by the Inter-ministerial Coordinating Group (CG), which included representatives from the Ministries of Planning and Finance (MPF), Justice, Public Works and Housing (MOPH), National Commission for the Environment (CNA, which during the course of the project would become the Ministry of the Environment, MICOA), the Institute for Physical Planning (INPF) within MPF, and the Executive Councils of the five cities. The CG was chaired by the Director for the Directorate for Local Administration (DNAL) in MAE. Day to day operations were to be facilitated by a Technical Support Unit (TSU), under the leadership of a Project Director in DNAL, while the structure plans and pilot sub-projects were to be assisted by HABITAR (the agency that managed urban rehabilitation contracts under MOPH). (See Appendix C for a diagram of the management structures.)

7. Some saw PROL as the heir to PRU and part of the urban rehabilitation theme of Bank support, with policy and capacity building components as complements to enable better local management. However, most saw it as a technical assistance project supporting a fundamental reform in the country's governance structures. It is useful to remember that the decentralization process until early 1997 was meant to encompass not just a limited number of urban areas, but most of the country including the rural areas.

8. Support for decentralization was clearly relevant in the context of Mozambique at the time. While some have questioned the wisdom of a rapid shift towards autonomous local governments in a country lacking the basic building blocks of local administration (such as the minimum institutional infrastructure in terms of public expenditure management), there is no doubt that the government had committed itself irreversibly to this course, and external technical and financial support was essential.² While demanding in terms of local capacity and risky because it required substantial political intervention, components

² See Vito Tanzi, Fiscal Federalism and Decentralization: A Review of Some Efficiency and Macroeconomic Aspects, paper presented at the Annual Bank Conference on Development Economics, 1995; and Jennie Litvack, Junaid Ahmad and Richard Bird, Rethinking Decentralization in Developing Countries, PREM Sector Studies Series, The World Bank, 1998.

1 and 2 were appropriate (although the separation between the legal/institutional and fiscal/organizational components turned out to be unnecessary and impractical). The objectives of components 1 and 2 are one step along the way towards improving the capacity of municipalities “to plan, manage and maintain efficient urban infrastructure and services”.³ To achieve these broader goals falls outside the scope of any one project, but PROL laid a solid foundation towards reaching them. Improving urban management was also a legitimate priority, and support for pilot urban investment projects, as in component 3, also was appropriate to bring the activities of Working Groups I and II “down to earth”. The problem lay in neither the Bank nor the Government having clearly understood the additional complexity and risk, in terms of implementation, that the inclusion of component 3 would pose.

C. ACHIEVEMENT OF OBJECTIVES

9. The project was largely successful in achieving its main stated objectives. Consistent with the MOP, WGs I and II elaborated a new set of laws known collectively as the *Pacote Autárquico*, which comprised the legislation enabling the 33 provincial capitals, cities and towns to be governed by elected, autonomous governments. This involved reviewing the current legal, functional and administrative framework for local government, as well as evaluating the fiscal, financial and organizational framework, and formulating and implementing the institutional reform program embodied in the new legislation. The new laws include: the law regulating the functions and organization of local governments (*Lei das Autarquias Locais*) passed in February 1997; three laws governing elections, passed in March, April and May 1997; the law governing administrative oversight by the central government of local governments (*Lei da Tutela Administrativa do Estado sobre as Autarquias Locais*) passed in July 1997; the law creating the local municipalities (*Lei da Criação de Autarquias Locais*) passed in October 1997; and the law regulating local finances (*Lei das Finanças e Património Locais*) passed in November 1997. In addition, WGI elaborated some of the necessary regulations to make the laws functional, as well as undertook legal follow-up work (such as promulgating relevant legal opinions and drafting example modalities for the key municipal activities.) Finally, WGII was also responsible for developing a new computerized management system for municipal finances, the *Sistema de Gestão Financiera Municipal* (SISGEF), which was developed jointly with the *Centro de Informática Universidade Edoardo Mondlane* (CIUEM), the information technology center at Edoardo Mondlane University. Thus, the basic legal and fiscal framework for autonomous local government in the 33 municipalities was put in place. While a number of regulations to implement the above laws remain to be drafted or are incomplete (specifically, the code governing municipal taxes and the rules governing the transfer, mobility, and management of municipal employees were drafted but not acted on, and the rules governing competitive bidding for contracts for municipal works were not drafted), the project’s achievement under these two components is especially notable, particularly given Mozambique’s capacity constraints and the setbacks that these reforms faced

³ This is actually part of the description of the second sub-component of the Legal and Institutional Reform component on page 3 of the MOP, but clearly speaks to the broader objectives of the project.

during the life of the project (including having the first decentralization law declared unconstitutional, postponement of the local elections, and difficulties in coordination.)

10. Achievements under the third component of the project—Urban/Environmental Management—were fewer. The most notable were the structure plans for each of the five cities. The structure plans were largely completed just up to the project's closing date, having been considerably delayed due to the lack of an institutional "home" for component 3 (see below), coordination and procurement problems, and some problems with inadequate performance by consultants. They appear to be of generally good quality and to have benefited from reasonable consultation with stakeholders in the community. Component 3 also produced an important study on reforming regulations and processes for urban planning (for which there has been no follow-up) and a study of cadastral management in Maputo (which also is awaiting follow-up). Aside from the structure plans, the most tangible achievements of this component were those funded by other donors: rapid mapping in the five cities (which produced aerial photos, photo maps, and digitized maps) funded by the Norwegian government (NORAD) and the *adressage* project in Maputo funded by the French government, plus a few pilot environmental rehabilitation activities in Nampula funded by the Dutch government. Although much useful preparatory work was undertaken, none of the Bank funded pilot projects were implemented (these were urban upgrading in the Natite area of Pemba; urban environmental improvements in Nampula; non-motorized transport in Beira; and the construction of a building for cadastral archives in Maputo). These pilot projects were all cancelled as a result of (a) severe delays due to procurement problems and inadequate communication between the Bank and the borrower and (b) poor performance by consultants. The failings of this component, while disappointing, should not detract from the overall achievement of the project, whose main objective was governance reform.

D. IMPLEMENTATION EXPERIENCE

11. The PROL project experienced implementation problems which limited the scope of some of the outputs of Components 1 and 2, resulted in the cancellation of several pilot sub-projects under Component 3, and allowed only a small amount of training to be carried out. Implementation was hindered by factors outside the Government's control (notably the deficient performance of the Bank; see below); by factors within the Government's control (i.e., flaws in the design of the project); and by factors within the implementing agency's control.

12. The success of the project in achieving its objectives, despite these problems, is explained by two factors. First, it was possible for a committed group of senior officials to persevere with the establishment of the policy and legal framework for municipal devolution. Second, this effort was carried along by a political momentum for decentralization that grounded the project in an environment highly supportive of its main objectives. In Mozambique, support for decentralization came from a number of sources, including a recognition of the practical need to deliver services more effectively, the political imperative to complete the unfinished agenda of the peace process, and a strong belief in the importance of decentralization on the part of almost all of Mozambique's donor partners.

13. A key factor outside the project's control was the delay in the municipal elections, originally scheduled for late 1996 but which only took place in June 1998, eight months before the (extended) close of the project. A major cause of this delay was that the original 1994 decentralization law was found to be unconstitutional, and the Government had to draft and pass a new law, along with a change in the constitution. The project was designed essentially to help create and to support the new municipal governments, so this inevitably inhibited the achievement of the project's secondary objectives of building capacity at the local level and piloting locally-driven public investment programs.

14. The Bank and the Government can take considerable credit for leadership in designing a decentralization reform package that proved central to the Government's overall reform program. However, several drawbacks in the project's design emerged. One was the underestimation of the risks and problems of implementing a project combining policy and governance reforms with urban management and pilot civil works activities. The third component, while arguably sound in theory to provide a practical grounding for the project's main focus on policy reform, did not in practice fit well institutionally into the project and proved unwieldy to implement.

15. Weak coordination between MAE and MOPH, MICOA, and INPF hampered implementation of WGIII's activities, which were due in large part to the absence of an institution responsible for them. The original project design called for HABITAR, a project management entity established under the previous PRU project, to manage Working Group III. Institutional strengthening of HABITAR with, among other things, the appointment of a senior urban planner, was a condition of project effectiveness. However, HABITAR was disbanded almost immediately after effectiveness. As a result, this component of PROL became by default the nominal concern of the Department of Civil Construction in MOPH. However, in practice, neither MOPH, nor the newly created MICOA took an active role in managing it. Moreover, the INPF, which might have been considered to play a role, was slated to be disbanded and was not included in project design. In fact, INPF was not disbanded, but neither was it given formal responsibility within PROL.

16. A second design problem was the project's complex internal structure. Responsibility for the three Working Groups, each headed by a separate individual, was fragmented and not well coordinated. The roles of the Interministerial Committee (IMC), the Coordinating Group (CG), and the Working Groups (WGs) were not well defined. The separation of WGI and WGII was unnecessary and caused coordination problems. At the political level, the IMC met rarely and failed to provide any link to the Council of Ministers. At the implementation level, the CG also met rarely. The WGs, which were intended to comprise senior officers from each of the relevant ministries supported by consultants, in fact comprised only consultants. Not only was coordination between the WGs inadequate, coordination even within the WGs was in some cases a problem. WGI was staffed by two successive groups of consultants, but the second group seems to have had no contact with the first. The TSU, while designed to be a coordinating unit at the implementation level, was not supplied with the authority or staff to act as a traditional project implementation unit (PIU). According to Bank staff involved in the design of the project, this was an intentional attempt to avoid the pitfalls of a PIU. However, the TSU

was unable to fulfill its coordination role, notably in the case of training, and lacked the necessary authority, capacity and skills to act effectively as a “secretariat” for the project. This was exacerbated by the fact that the TSU was never provided with an Organizational and Administrative Manager, as called for in the original project design, leaving that role to be fulfilled by the CG chairman (the Director of MAE’s Directorate of Local Administration), who had many other responsibilities, making it difficult for him to devote adequate time to the project.

17. In lieu of formal coordination and leadership within the project structure, these were provided *ad hoc* by a small cadre of committed individuals in DNAL, WGII, and WGIII, who can be largely credited with the success of the project, but whose efforts could not substitute for the inadequate inter-institutional linkages. Slowness in coordination between MAE and the Ministry of Planning and Finance hindered work on key fiscal and financial issues. Resolution is pending of issues concerning the transfer of future responsibilities and resources to municipal governments, mechanisms for coordinating financial reporting, and measures to tackle compensation for former state employees severed from municipal service.

18. Although the project was intended to be implemented flexibly, in recognition of the uncertainties of the political reform process, in practice the project was flawed by the treatment of political decisions as controllable project outputs. The use of the Engineering Project instrument may have suited the types of activities in the third component of PROL, but it seems to have not been well adapted to the design and implementation of the main political, legal, and regulatory reform components of the project. For example, in the MOP, Appendix B, laws passed are listed as monitoring indicators, or are assumed to have been passed once they have been drafted. As a result, the Bank tended to confuse delays in political decision-making with delays in project implementation. This could have been corrected through a project restructuring.

19. At the project level, very little of the expected training was carried out, despite constant urging by the Bank for a comprehensive training program and plan. What was provided was linked to specific activities, such as seminars on the new legal framework, training in the new financial management systems, and a few technically oriented seminars on topics like land registration. The training assessments planned in Appendix E of the MOP were not carried out, nor was any long-term coherent training program developed. The reasons include the project’s awkward management structure, the absence of an Organizational and Administrative Manager, and the view that training should be postponed until the new municipal governments were installed.

20. Second, Appendix E of the MOP outlined a process of consultations to be linked with specific stages of the development of the decentralization reforms, e.g., after the principles of reform had been outlined but before the drafting of legislation, after the draft legislation had been prepared, on the completion of analytical studies, and prior to the implementation of reforms. Except for those held in connection with the structure plans, none of these consultation took place. One reason was simply that project management was over-extended. Another was that the uncertainties and sensitivities of the political process made organizing formal consultations difficult.

21. The project experienced serious and recurrent procurement delays. Misunderstandings occurred over the specifications and awarding of bids for goods and the terms of reference and selection of consultants. On the Government side, officials complained that the Bank was overly rigid and bureaucratic, delaying the provision of no objections for reasons that failed to recognize the real difficulties that MAE faced. On the Bank side, staff complained that MAE's response time was often slow, that Bank procurement procedures and fiduciary responsibilities were misunderstood or even ignored, and that a lack of counterpart funds was frequently the cause of extended delays. Documentary evidence suggests that on some occasions the Bank took a bureaucratic rather than facilitating role. These occasions created the perception, on the part of the client, that this approach characterized all the Bank's dealings with this project. However exaggerated, this perception worsened an already strained relationship between the Bank and the borrower (see Section F below).

22. MAE and Bank staff agree that counterpart funds were often unreliable, and that MPF's approval of contracts was often seriously delayed. The problem of counterpart funds seems to be particularly acute in the case of MAE, as compared to some other Ministries, which typically can draw from a pool of counterpart funds generated by a number of projects.

23. The implementing agency had difficulties managing, commenting on, and evaluating the work of the consultants in the WGs. This situation was exacerbated by the absence of senior government officials on the WGs and the difficulties of inter-ministerial coordination. Slow or inadequate review by MPF and MOPH delayed or left incomplete some regulations and studies.

E. PROJECT SUSTAINABILITY

24. Since the legislative framework is in place, municipal elections have occurred, and new municipal governments have taken office, the main accomplishments of the project are likely to be sustainable. This project, however, is only a first step in a much longer program of decentralization. Next steps would need to include, among others, strengthening of the new autonomous municipalities, the completion of the legal framework particularly critical regulations covering taxation, inter-governmental financial management, and staffing, as well as the extension of municipal authority over the full range of sector activities devolving to the municipal level under the new legislation. These next steps will be necessary to ensure the achievement of the promised improvements in planning, managing, and maintaining municipal infrastructure and services, and thus to ensure the long-term success of the decentralization program. As long as Mozambique remains politically stable and its economy continues to improve, there seems to be no reason to doubt that decentralization will move forward and begin to deliver the hoped-for benefits.

25. The sustainability of some of the project's other outputs, on the other hand, is more uncertain. What little capacity building of non-elected officials that has taken place, in the form of training, is likely to be short-lived unless changes in pay and working conditions improve to encourage qualified people to stay in the municipal civil services.

Similarly, maintenance of equipment purchased under the project is likely to be a problem unless the municipalities improve their revenue collection and management systems. Finally, the municipalities will need substantial financial and technical support to implement the structure plans produced under WGIII.

F. BANK PERFORMANCE

26. The Bank took a leading role in project design and should be given credit for taking the initiative in encouraging the Government to pursue an ambitious decentralization program. This is particularly notable in that this took place at an early stage in the Bank's relationship with the Government and at a point when Mozambique had just emerged from civil war and was still in transition towards a peacetime economy and democracy. It represents a major investment of confidence in the Government at a very difficult time. Apart from this, however, the Bank's performance on this project was problematic throughout, and it is rated deficient overall. The Bank must bear a majority of the responsibility for the design problems already discussed. The Bank underestimated the inherent difficulty and political sensitivity of the project's objectives and components, and it overestimated the capacity of the borrower to implement the project.

27. The project had three World Bank task managers between identification and effectiveness. A fourth took over after effectiveness and remained with the project until about one year before closing. This rapid turnover of task managers caused a number of problems, including changes in project design which were not always fully "owned" by the Mozambican authorities and a shift in approach, from more to less flexible application of Bank rules. This created confusion among the Mozambican authorities, many of whom were not yet very familiar with Bank practices, and a sense that they had been misled. By the time of effectiveness, Mozambican officials and staff had already started to view the Bank's procedures as an obstacle to be overcome rather than an aid towards a better outcome, and the relationship between the Bank and the Government at the working level had been seriously strained.

28. The relationship was further strained during implementation as the Bank was increasingly seen by the borrower as tending to be critical on issues of procedure and compliance with guidelines, rather than helpful in solving problems collaboratively. Not only did the difficult relations between the Bank and the borrower impede the smooth implementation of the project *per se*, but it led to the Bank being largely excluded from providing advice at the technical level on the substance of the reforms. In fact, according to Bank staff, technical advice on the substance of the reforms was offered informally throughout the process, but lack of trust and the chronic procedural problems impeded most constructive dialogue on these matters.

29. The mid-term review was a missed opportunity to restructure the project in light of the delayed municipal elections and the slow progress on the pilot projects. Some minor changes were made, for example, to focus more on intergovernmental fiscal transfers and strengthen the capacity building and training activities. The mid-term review failed to come to grips with the fact that many of the project's activities were being affected by the

postponement of the municipal elections, that the new municipal governments would, once elected, require substantial support including training, or that the pilot projects were unlikely to be implemented under current structures. The project was later extended by one year (from the original closing date of March 31, 1998) in conjunction with minor adjustments and a cancellation of SDR 3,550,000, but, again, nothing was done to address the root problems facing the project. The extension was granted simply to allow time to complete some of the ongoing tasks, including preparation of decrees, establishment of mechanisms for the transfer of competencies, development of intergovernmental fiscal transfers, strengthening of dissemination and locally-based technical assistance, and implementation of the pilot projects.

30. The Bank's reorganization during 1996-97 played a role in diverting management's attention from the project's problems. Insufficient management guidance inhibited the development of needed restructuring of the project and left the troubled relationship unaddressed. By the time of the mid-term review in October 1996, both the Mozambican authorities and Bank staff recognized that the relationship at the working level had deteriorated badly, but no moves were made to remedy the situation.

31. The final blow to the relationship was the Bank's refusal to consider the Government's request for an additional year's extension to allow the project to start building capacity in the new municipal governments elected in June 1998. Delays and confusion lasting several months characterized the transfer of the project to the last task manager in October 1998, which contributed to this lapse. In retrospect, uncommitted funds could have been productively used to provide training and technical assistance to the new municipal governments, thus laying a foundation of both better relations and improved capacity.

G. BORROWER PERFORMANCE

32. Despite the difficulties in implementation and the Bank's unsatisfactory performance, the main objectives of the project were achieved.⁴ The borrower's performance had very significant shortcomings, but it is rated satisfactory taking into account the factors discussed under sections D and F above. A major reason for the project's success is that it was driven by a high level of Government commitment: not only was decentralization part of the Government's five year plan (and therefore of its political platform), but it constituted an important part of the peace process, and became a condition of bilateral donor support. Nevertheless, the challenge of decentralization, especially given the time frame, the limited capacity of the Government in general and of the implementing ministry in particular, makes the achievements of the project particularly notable.

33. Weaknesses in the borrower's performance during implementation of the project included: lack of coordination, within the project implementation structure and inter-institutionally; lack of initiative to restructure the project in light of changed circumstances; inadequate management of consultant contracts; faulty administration of procurement procedures, and inadequate provision of counterpart funds. Moreover, the

⁴ During the ICR mission, a top-level Government official stated that the Bank had not been a good partner and that the project had been a success "in spite of the Bank."

Borrower was slow in meeting a majority of the conditions of effectiveness, causing a delay of almost a year before the project became effective. In large part this was due to capacity constraints, and to unfamiliarity with Bank procedures in engaging consultant services, for example.

H. ASSESSMENT OF OUTCOMES

34. The PROL project was responsible for legislation that has had a profound effect on governance and public administration in Mozambique. Under the project, the Government enacted the framework legislation for autonomous governments in 33 municipalities, as well as the legislation for municipal elections and municipal finance. These elections took place, and the new municipal governments have been installed. The first practical steps in Mozambique's decentralization program have therefore been taken. There is still a long way to go, however, to complete the legislative framework, to build the capacity within the municipal governments to meet their new challenges, and to expand the scope of municipal government authority. The project had two main failures. One was its inability to build capacity in the new municipal governments, mainly because of the long postponement of the local elections, but secondarily because the project could have been restructured and/or extended but was not. The other was the failure to implement any of the physical pilot projects, thereby leaving the municipal councils with a sense of having been left out and depriving them of tangible outputs "on the ground", however small. While disappointing, these failures did not significantly compromise the achievement of the project's main contributions to the Government's decentralization program.

I. KEY LESSONS LEARNED

35. A number of lessons can be learned from the PROL project:

- The project was successful in achieving its stated objectives and outcomes, despite problems in the performance of both the Bank and the Borrower and the political difficulties of the process. The PROL project demonstrates that such obstacles can be overcome if commitment on the part of the client at the policy-making level is high.
- The project's design was limited by a more restricted array of instruments for bank support than is currently available. The use of the Engineering Credit instrument, which is intended to be used as a precursor for large investment projects, did not provide the flexibility (in light of political changes, for example) needed in the PROL or allow for the sort of learning and long-term support that the LIL or APL instruments could provide today.
- The risks of the PROL were inadequately assessed and managed. The political risks and uncertainties of such a fundamental governance reform (decentralization) should have been taken into account through a more flexible project design. The implementation risks of Component 3 were not properly

handled. The Bank and the Government should have undertaken a fundamental restructuring of the project after the postponement of the municipal elections.

- The success of such projects (geared toward political and governance reforms) are especially dependent on a high level of trust between the Bank and the borrower. The Bank should be more careful to monitor and promptly address any problems in the relationship.
- Projects that include several components coordinated by more than one ministry face difficulties in a capacity-constrained environment, both in terms of borrower coordination and Bank supervision. More streamlined management structures, preferably with one clearly defined responsible ministry, are essential.
- Where implementation capacity is especially scarce, projects should ensure that local staff have the necessary skills, perhaps developed through an initial period devoted to training those responsible for the management of the project. In addition, Bank supported projects should take better note of the risks associated with the availability of counterpart funds, and should be designed to include more effective mechanisms for the prompt provision of counterpart funds.

Table 1: Summary of Assessments

A. Achievement of Project Objectives

Assessment Categories	Substantial	Partial	Negligible	Not Applicable
Macroeconomic Policies				X
Sector Policies	X			
Financial Objectives		X		
Institutional development		X		
Physical objectives			X	
Gender concerns				X
Other social objectives				X
Environmental objectives			X	
Public sector management	X			
Private sector development				X
Other				X

B. Project Sustainability

Likely	Uncertain	Unlikely
X		

C. Bank Performance

Stage of Project Cycle	Highly Satisfactory	Satisfactory	Deficient
Identification		X	
Preparation			X
Appraisal			X
Supervision			X

D. Borrower Performance

Stage of Project Cycle	Highly satisfactory	Satisfactory	Deficient
Preparation		X	
Implementation		X	
Covenant Compliance		X	

E. Assessment of Outcome

Highly Satisfactory	Satisfactory	Marginally Satisfactory	Unsatisfactory	Highly Unsatisfactory
	X			

Table 2: Related Bank Credits and Loans

Preceding Operations

Title	: Urban Rehabilitation Project
Loan no.	: 1949-MOZ
Year of approval	: 1988
Amount	: SDR 44.0 million
Purpose	: To assist in stemming deterioration in basic urban infrastructure and services, and to mitigate the social costs of structural adjustment through the implementation of a program of urban rehabilitation and employment generation.
Status	: Closed October 1996

Title	: Legal and Public Sector Capacity Building
Credit no.	: 2437-MOZ
Year of approval	: 1992
Amount	: SDR 10.9 million
Purpose	: Civil service reform and capacity building in the Ministry of State Administration and legal institutions.
Status	: ongoing

Following Operations

Title	: Municipal Development Project
Credit no.	:
Year of approval	: 2001
Amount	: To be determined
Purpose	: Continuation of policy reform, municipal capacity building, and introduction of municipal infrastructure grants
Status	: In preparation

Table 3: Project Timetable

Steps in project cycle	Date planned	Date actual
Identification	Not Available	11/91
Preparation	Not Available	Not Available
Appraisal	Not Available	06/92
Negotiations	5/4/93	04/04/93
Letter of development policy	Not Available	Not Available
Board presentation	Not Available	6/29/93
Signing	Not Available	9/17/93
Effectiveness	10/1/93	7/30/94
Credit closing	3/31/98	3/31/99

Source: Project Files and Bank staff estimates.

PART II: STATISTICAL TABLES

Table 4: Credit Disbursements: Cumulative Estimated and Actual

	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY00
Appraisal estimate	1.7	2.9	5.2	9.9	3.5	0.0	0.0
Actual	0.0	3.6	1.6	1.9	1.7	4.4	0.4
Actual as % of estimate	0	124	31	19	49	-	-
Cumulative	0	3.6	5.2	7.1	8.8	13.2	13.6

Date of Final disbursement

Source: Bank MIS, Bank Loan Administration System and staff estimates.

Table 5: Key Indicators for Project Implementation

Key implementation indicators in the SAR/President's Report	Estimated Completion Dates	Actual Completion Dates
Enactment of key decentralization laws		First law passed in March 1994; final law passed in November 1997
Elaboration and approval of an urban services delivery and management policy		Not completed
Broad consultation process with Municipalities in the conduct of the decentralization process, and agreement on the transfer of competence and associate funding resources		Too soon for consultation yet with the municipalities; no agreement on transfer of competencies other than those transferred to new local governments taking office.
Completion of structure plans in the five pilot cities, and the adoption of urban planning regulations and procedures		Structure plans completed in March 1999, and under review by INPF after close of project
Implementation of pilot projects		None implemented

Source: Project files and Bank staff estimates.

Note: This project was prepared before the formal requirement for key indicators of project implementation. The project was retrofitted with the above indicators, but no completion dates were provided.

Table 6: Key Indicators for Project Operation

Not applicable . The preparation of the project's SAR took place before the development of these indicators had become part of the appraisal process.

Table 7: Studies Included in the Project

Study	Purpose	Status and impact
1. Legal and Institutional Component		
<i>Ante-projecto da Lei Quadro das Autarquias Locais</i>	Draft of general local government law	Law approved 1997
<i>Ante-projecto da Lei da Tutela Administrativa do Estado sobre as Autarquias Locais</i>	Draft of law on government oversight of municipalities	Law approved 1997
<i>Ante-projecto da Lei do Estatuto Especial da Cidade de Maputo</i>	Draft of special statute for City of Maputo	Law approved 1997
<i>Ante-projecto da Lei sobre o Estatuto dos Titulares e Membros dos Orgaos Autarquicas</i>	Draft of law on members and appointees of municipal bodies	Law approved 1997
<i>Ante-projecto da Lei das Financas e Patrimonio Locais</i>	Draft of local government finance law	Law approved 1997
<i>Ante-projecto da Lei do Recenseamento Eleitoral Sistemático para as Eleicoes e Referendos</i>	Draft of law on census for voter registration	Law approved 1997
<i>Ante-projecto da Lei da Criacao da Comissao Nacional das Eleicoes</i>	Draft of law establishing national election commission	Law approved 1997
<i>Ante-projecto da Lei Eleitoral para os Orgaos das Autarquias Locais</i>	Draft of electoral law for autarchies	Law approved 1997
<i>Ante-projecto da Lei da Criacao das Autarquias de Cidade e Vila</i>	Draft of law for creation of new autarchies	Law approved 1997
<i>Ante-projecto de lei sobre mobilidade de funcionarios entre quadros da Administracao do Estado e das Autarquias Locais</i>	Draft of law on mobility of public servants between central and local government	Completed and submitted to government
<i>Anteprojecto de Decreto sobre os Principios Fundamentais a constarem nos Regimentos das Assembleias Municipais and Modelo de Regimento das Assembleias Municipais</i>	Draft decree on basic contents of internal regulations of Municipal Assemblies and model regulations	Completed and submitted to government
<i>Anteprojecto de Decreto sobre os Principios Fundamentais a constarem nos Regulamentos Internos do Conselhos Municipais and Modelo de Regimento dos Conselhos Municipais</i>	Draft decree on basic contents of internal regulations of Municipal Councils and model regulations	Completed and submitted to government
Proposals for municipal regulations and laws on cemeteries, markets, ambulant traders, vehicles of hire.		Completed and submitted to government
Training Manuals on local government legislation		Completed

Glossary of local government legislation (2 volumes)		Completed
Study	Purpose	Status and impact
2. Financial and Fiscal Component		
<i>Contribuicao aos Estudos Relativos aos Sistemas de Transferencias Orcamentais</i>	Comparative analysis of budget transfer systems in Brazil, Peru and Columbia, to provide basis for legislation	Completed, February 1995
Methodology for collection of data on municipal finances and financial administration	To define working methodology	Completed, December 1995
<i>Relatorio de Pre-politicas de transferencias orcamamentais e mobilizacao de recursos locais</i>	Presentation of budget scenarios and proposals for municipalities' own revenues and budget transfers, to provide basis for legislation.	Completed, September 1995
<i>Bases tecnicas de capacitacao de recursos humanos dos Conselhos no uso do sistema de gestao de finanças locais</i>	To provide basis for training in computer use and financial management	Completed, October 1995
J. Relatorio da Area de Sistemas	Design of financial management system and method of implementation	Completed, August 1995
Final Report of initial contract of KPMG/IBAM, covering studies of municipal financial management, capacity building, urban services and organizational structure.	Includes conclusions and policy recommendations made by the Consultant.	Completed, May 1996
Manuals on accounting, treasury e others	6 user manuals on procedures and standards for financial management.	Completed, December 1996
<i>Situacao financeira dos Municipios e investimento municipal</i>	To provide basis for legislation	Completed, July 1997
Management instruments for SISGEF (Financial management system)	Manual for senior managers of SISGEF (Finance Directors and Presidents of Municipal Councils) explaining management tools provided by SISGEF.	Completed, October 1997
<i>Manual de Rerefencia Operacional do SISGEF</i>	Short version of user manuals	Completed, November 1997
<i>Relatorio de Politicas de Servicos Urbanos de Utilidade Publica (English and Portuguese)</i>	Policy proposals for provision of waste collection, water, sanitation and public transport.	Completed, November 1997
<i>Implantacao do Sistema de Financas Autarquicas - dispositivos transitorios</i>	Draft legislation covering the period of transition from central to local government financial management	Completed January, 1998. Submitted to Ministry of Planning and Finance

Study	Purpose	Status and impact
K. Propostas de organizacao administrativa	6 volumes of proposals for the structure and staffing requirements for the 5 PROL cities	Completed, March 1998
L. Codigo de Posturas Autarquicas	Model proposal for municipal laws	Completed March 1998. Submitted to Ministry of Planning and Finance, no decision yet
<i>Codigo Tributario Autarquico</i>	Draft regulations for municipal taxes	Completed May 1998. Submitted to Council of Ministers, no decision yet
<i>Proposta de decreto sobre transferencia de competencias</i>	Draft decree on transfer of responsibilities from central to local government	Completed May 1998. Submitted to Ministry of Planning and Finance, no decision yet
3. Urban and Environmental Management Component		
<i>Planeamento e Gestao Urbana em Moçambique</i>	Basis for the definition of legislation, regulations and procedures on urban development planning	Submitted to National Institute of Physical Planning, June 1997
Structure Plan for Greater Maputo		Completed, March 1999
Structure Plan and Priority Action Plan for the city of Quelimane		Completed, March 1999
Structure Plan and Priority Action Plan for the city of Pemba		Completed, March 1999
Structure Plan and Priority Action Plan for the cities of Beira and Dondo		Completed, March 1999
Structure Plan for the city of Nampula		Completed, March 1999 and approved by the Municipal Assembly in April 1999
Comparative Study of Real and Documented Land Use in the City of Maputo and Legal Support to Urban Land Management – Vol. 1: Analysis of existing conditions and Vol. 2: Proposals for a new system of land administration		Completed, March 1999
Construction of a new building for the land administration archive, Maputo: detailed design and tender documents		Completed March 1998, tender documents reviewed by Bank
Nampula Urban and Environmental Management Pilot Project:		
Manual on erosion control, Nampula	Guidelines for actions by community groups	Completed 1997
Master plan for municipal nursery, Nampula		Completed 1997
Market and Health Post, Muhala neighbourhood, Nampula, including water supply: detailed design and tender documents		Completed March 1999, tender documents not reviewed by Bank
Study	Purpose	Status and impact
Rehabilitation of public lavatories, Murrapaniwa Market, Nampula:		Completed March 1999, tender documents not reviewed by Bank

detailed design and tender documents		
Construction of public lavatories, FAINA market, Nampula: detailed design and tender documents		Completed March 1999, tender documents not reviewed by Bank
Rehabilitation of municipal nursery, Nampula: detailed design and tender documents		Completed March 1999, tender documents not reviewed by Bank
Water supply and sanitation, Namwatu School, Nampula: detailed design and tender documents		Completed March 1999, tender documents not reviewed by Bank
Rehabilitation of roads, construction of public water posts and control of ravines, Muhala neighborhood, Nampula: detailed design and tender documents		Completed March 1999, tender documents not reviewed by Bank
Pilot project for integrated infrastructure improvements, Natite, Pemba:		
Report on consultation process		Completed, 1998
Analysis of existing conditions		Completed, 1998
Financial analysis		Completed, December 1998
Resettlement Plan		Completed, December 1998
Construction of market and recreation center: detailed design and tender documents		Completed December 1998, tender documents not reviewed by Bank
Rehabilitation and expansion of primary school: detailed design and tender documents		Completed December 1998, tender documents not reviewed by Bank
Drainage and roads: detailed design and tender documents		Completed December 1998, tender documents not reviewed by Bank
Proposal for maintenance program for improved infrastructures using local labor		Completed
Proposal for solid waste collection		Completed December 1998
Layout plan for Wimbe expansion area		Completed December 1998

Source: Project Files and Bank staff estimates.

Table 8A: Project Costs

Item	Appraisal Estimate (US\$mm)			Estimated Actual Costs (US\$mm) 9/		
	Local costs	Foreign costs	Total costs	Local costs	Foreign costs	Total Costs
Legal and Institutional Reforms	0.3	0.8	1.1	0.1	0.6	0.7
Fiscal and Financial Reforms	0.2	1.7	1.9	0.3	3.4	3.7
Urban Environmental Management						
• Preparation of Municipal Development Plans	0.0	1.8	1.8	0.7	0.4	1.1
• Preparation and Implementation of Pilot Sub-projects	2.3	2.4	4.7	0.5	3.4	3.9
Capacity Building, Institutional Support and Project Management						
Support for MAE						
• Technical Advice and Support	1.0	1.1	2.1	0.02	0.2	0.2
• Training	0.9	0.2	1.1	0.8	0.1	0.9
• Staff (TSU)	0.6	0.0	0.6	0.5		0.5
• Project Administration (TSU)	2.1	0.5	2.6			
Support for MCA (HABITAR) & CNA						
• Staff (HABITAR/CAN)	0.6	1.3	1.9			
• Project Administration	0.4	0.1	0.5	0.7		0.7
Vehicles and Equipment	0.2	1.9	2.1	0.3	0.9	1.2
Base Cost:	8.6	11.8	20.4	3.9	9.0	12.9
Contingencies					0.9	
Physical Contingencies	0.8	1.2	2.0			
Price Contingencies	0.9	1.2	2.1			
Total Project Cost:	10.3	14.2	24.5	3.9	9.9	13.9

Source: Bank MIS and staff estimates.

Table 8B: Project Financing

Source	Appraisal estimate			Actual/latest estimate		
	Local costs	Foreign costs	Total Costs	Local costs	Foreign costs	Total costs
IDA	9.0	14.2	23.2	3.4	9.9	13.3
Government	1.3	0.0	1.3	0.6	0.0	0.6
	10.3	14.2	24.5	4.0	9.9	13.9

Table 9A Economic Costs and Benefits

Not applicable.

Table 10: Status of Legal Covenants

Agreement/ Section	Covenant Type	Status	Covenant Description	Comments
3.01 (c)	12	NC	Borrower to cause MAE to enter into Implementation Agreements with all of the Project Cities.	Failure to implement pilot projects and delays in preparing structure plans led this to be unnecessary.
3.03 (a)	10	CD	Borrower to conduct with the IDA project implementation reviews by not later than September 30 of each year, including mid-term review by not later than September 30, 1995.	Reviews conducted but generally delayed.
3.03 (b)	10	C	Submit to IDA for its review and comments, annual and mid-term reviews, progress reports and a draft action program including training plans to be carried out during the upcoming year.	
3.03 (c)	10	CP	Carry out recommendations arising out of annual and mid-term reviews	Most actions implemented, but often with delays.
3.04 (a,b)	05	CP	Maintain institutional arrangements and staff as specified under part A of Schedule 4 of DCA; and appoint qualified local counterpart to closely work with and receive training from the consultants contracted under the project.	Mostly complied with, with some gaps.
3.05	12	NC	Borrower shall ensure the timely implementation of the implementation	Failure to implement pilot projects and delays in preparing structure

Agreement/ Section	Covenant Type	Status	Covenant Description	Comments
			agreements entered into between MAE and the Project Cities and the Municipal Development Programs prepared by each such city.	plans led this to be unnecessary.
3.06	07	NC	Borrower shall take all necessary measures to prepare and implement resettlement plans referred to under Part C.3 of the Project, in accordance with the terms, criteria and a timetable agreed upon between the Borrower and IDA, and with the objective of restoring the incomes of displaced people to allow them to maintain or improve their standard of living.	No resettlement necessary due to failure to implement pilot projects.
3.07	01	CP	Borrower shall (a) open and maintain a project account in local currency, in a commercial bank on terms and conditions satisfactory to IDA; (b) make an initial deposit into such an account of \$60,000; and (c) deposit every four months such an amount as shall be required to replenish such account.	Replenishment irregular and not to the full amount.
4.01	01	C	Borrower shall (a) maintain financial records and account; (b) perform independent annual audits of project accounts and furnish certified copy to IDA within 9 months; and (c) maintain records and accounts reflecting expenditures with respect to which withdrawals from the Credit Account were made.	Audits received and unqualified.

C = complied with; CD = complied with after delay; CP = complied with partially; NC = not complied with
Source: Project Files and Bank staff estimates.

Table 11: Compliance with Operational Manual Statements

Statement number and title	Describe and comment on lack of compliance
1. None	
2.	
3.	

Table 12: Bank Resources: Staff Inputs

Stage of project cycle	Planned		Revised		Actual	
	Weeks	US\$	Weeks	US\$	Weeks	US\$ (000)
Preparation to appraisal	NA	NA	NA	NA	44	80.4
Appraisal	NA	NA	NA	NA	66	131.8
Negotiations through Board approval	NA	NA	NA	NA	4.9	11.8
Supervision	110	NA	NA	NA	97.8	241.1

Source: Project Files and Bank staff estimates.

*Not Available

Table 13: Bank Resources: Missions

Stage of project cycle	Month /Year	Number of persons	Days in field	Specialized staff skills represented	Performance rating	Types of problems/ Notes
<i>Through appraisal</i>						
Identification	9/91	3	20	d,		Not applicable
Preparation	12/91	6	18	a, d, h, n,		Not applicable
Pre-appraisal	4/92	7	13	a, d, e, f, n,		Not applicable
<i>Appraisal through Board approval</i>						
<i>Supervision</i>						
Preparation for implementation	3/94	2	10	a, d,	Not appl.	Slow progress towards effect.
Supervision 1	11/94	2	3	d, e,	S	Slow progress
Supervision 2	3/95	2	6	a, d	S	Need to establish SA
Supervision 3	7/95	1	5	a,	S	Launch workshop
Supervision 4	11/95	4	10	a, d, g	S	Election law package withdrawn
Supervision 5	3/96	3	4	a, d, j	S	New laws delayed
Supervision 6	11/96	5	3	d, i, m	S	Mid-term review
Supervision 7	4/97	1	2	d,	S	
Supervision 8	6/97	2	15	a, j	S	Slow progress on training
Supervision 9	10/97	2	4	a, d	S	Slow progress
						Extension and restructuring

Supervision 10	4/98	1	3	d,	S	
Completion	2/99	3	10	d, e, i	S	ICR

Source: Project files and Bank staff estimates.

AIDE MÉMOIRE

**LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT (PROL)
(Project MZ-PE-1791, Credit 253000 – MOZ)
IMPLEMENTATION COMPLETION MISSION**

1. A World Bank mission visited Mozambique from February 22 to March 12, 1999 during which they undertook the Implementation Completion Mission of the above project. The mission team consisted of Mr. Alan Carroll (Team Leader/Senior Urban Development Specialist), Mr. Jocelyn Mason (Consultant/Public Administration Specialist), and Mr. Luis Carvalho (Consultant/Civil Engineer). The mission is grateful for the valuable assistance provided by his Excellency the Minister of State Administration, the officials and staff of the Ministry of State Administration/National Directorate of Local Administration (MAE/DNAL), and the Presidents and staff of the Municipal Councils of Beira, Nampula, Quelimane, and Pemba. A list of people met is attached as annex 1. The mission would especially like to thank the officials of Municipal Governments of Beira and Nampula for the courtesies shown Mr. Mason and Mr. Carvalho during their visit to those cities. This Aide Mémoire will be included in the Implementation Completion Report (ICR) as an annex.
2. **Special Account.** The mission noted the customary grace period for Bank projects is four months, and the mission hereby informs the Government that it will honor requests for payments up to June 30, 1999 for goods and services delivered prior to the closing date.
3. A project evaluation workshop was held on Tuesday, March 9th, (a list of attendees is attached as annex 2). The Government and the Bank agree that, while the project suffered from a number of problems in design and implementation, which will be dealt with in detail in the ICR, the project did achieve its development objectives. The following main points were made.
 - (a) Component 1 of the project, Legal and Institutional Reform, implemented by Working Group 1, was also largely completed and successful, although gaps in the legislation remain. The activities of this component can be described as the legal dimensions of Component 2, but the coordination between the two Working Groups was poor.
 - (b) Component 2 of the project, Fiscal, Financial and Organizational Reform, implemented by Working Group 2, was largely completed and was successful. The legislation enabling the 33 provincial capitals, cities and towns to be administered independently by an elected government is now in place. The first stages of decentralization to the municipalities has taken place: local elections took place in July 1998, the new municipal governments were installed in August 1998, and the first steps towards making local government effective have been taken. However, gaps in the legislation remain, and although a first successful seminar was held in October 1998, little of the training of the new elected officials and their administrations took place as

planned.

- (c) Component 3 of the project, Urban/Environmental Management, implemented by Working Group 3, consisted primarily of rapid mapping exercises and developing structure plans for each of the five cities, as well as pilot civil works projects. While the rapid mapping and the structure plans, as well as the installation of the technical support groups (GTLs) for the five municipalities were notable successes, although considerably delayed, none of the pilot projects was begun.
4. The mission took note of the view, expressed broadly by all Government counterparts, that Bank implementation performance was unsatisfactory, because of the unusually large number of task managers involved in the project, and because the Bank failed to perform an adequately facilitating role during project implementation.
 5. Before the workshop, the mission also met separately and extensively with Working Groups I, II and III, as well as the TSU. These meetings provided important information and insights relating to the management of the project which will form part of the ICR analysis.
 6. In addition, Mr. Carvalho and Mr. Mason visited the cities of Beira and Nampula, where they met with the PROL project units as well as the new Municipal Council Presidents, members of the Municipal Council, the Assembly Presidents, and directors of municipal departments. These trips were highly informative, providing additional insights for the PROL evaluation.
 7. **Next Steps.** The mission that the Bank's Disbursement Department has agreed that the Special Account would be replenished to the amount of \$50,000 until the closing date of the project in order to provide for the volume of end-of-project expenditures. The mission also committed the Bank to do all it could to expedite the processing of replenishment requests.
 8. The mission discussed the following steps that would need to take place as part of the Bank's ICR process:
 - (a) On project completion, Government staff will provide the Bank with the data for the ICR tables as discussed during the mission; these tables may be prepared as soon as the closing date is over, and any changes to the tables resulting from payments during the grace period can be included in the final version of the ICR as detailed below– due April 15;
 - (b) Government staff will prepare an evaluation report which it will send to Bank staff to be included as an annex to the ICR (the mission also understands that the “Avaliação Final do Projeto” document presented during the evaluation workshop is not the Government's final evaluation report) – due April 15;
 - (c) Bank staff will prepare a draft of the ICR which it will clear with Bank management – June 1

APPENDIX A

- (d) Bank staff to send the cleared draft ICR to the Government – June 15;
- (e) Government to provide Bank staff with written comments on the draft ICR if they wish, which will be included as an annex to the ICR, and any changes to the ICR tables – June 30;
- (f) The ICR will be delivered to the Bank's Board – June 30.

March 10, 1999

**LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT (PROL)
(Project MZ-PE-1791, Credit 253000 – MOZ)
IMPLEMENTATION COMPLETION MISSION**

List of People Met

Ministry of State Administration

H.E. Alfredo Gamito, Minister

MAE/National Directorate of Local Administration (DNAL)

José Guambe, Director

Ministry of Works and Housing

Jorge Pedro de Eusébio

Working Group I

Fernando Loureiro Bastos

Rui Pinto

Emídio R. Nhamissitane

Working Group II

Lourenço Pinhal, Head

Milton Rocha

Manuel Macomba

Working Group III

Joaquim Almeida Fernandes

Charlotte Allen

Arlindo Dgedge

Antonio Tovela

Technical Support Unit

Mr. Guiliche

Rosinda Nunes

Esmeraldo Pardal

City of Nampula

H.E. Dionisio Chereua, President of the Municipal Council

H.E. Cassamo D. Mussage, President of the Municipal Assembly

Felix Socre, Head of Urban Services

Ernesto, Municipal Urban Services

Gaspar, Municipal Urban Services

Mr. Patua, Head of the Human resources Department

Mr. Aboo, Head of Financial Department

Dr. Jaime, Director, DPAC

Mr. Equasune, Environment Department (PROL)

Mr. Marques, Environment Department (PROL)

APPENDIX A

Polcarpio Napica, Head of the Centro de Desenvolvimento Sustentavel (CDS)
Jorge Tinga, PROL Coordinator and Assesor de Administração e Financas
Mikko Mansikka, PLANCENTER
Timo Ripatti, PLANCENTER
Tapio Toropainen, PLANCENTER
Erik Sjöberg, Suomen Ympäristökeskus
Adolphus Arno, First Secretary, Embassy of the Netherlands

Province of Nampula

Mr. Remo, DPAC

City of Beira

H.E. Joao Azinheira Filipe, Council Member, Alternate President of the Council
H.E. Luís Neves, Council Member
H.E. Louranço Ferreira Bulha, President of the Assembly
H.E. Paulo Lourenço, Council Member
H.E. Nhacutsane R. Muianga, Council Member
Mr. Mussengue, Director for Construction and Urbanization
Ross Palmer, Palmer Associates Projecta Scott Wilson Joint Venture
Caroline Pitt, Palmer Associates Projecta Scott Wilson Joint Venture
Francisco Perreira, Palmer Associates Projecta Scott Wilson Joint Venture

Province of Sofala

Mr. Jaime, DPAC

International Development Association

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IDA/SecM99-613/1

FROM: Vice President and Secretary

October 29, 1999

IMPLEMENTATION COMPLETION REPORT

REPUBLIC OF MOZAMBIQUE

GOVERNMENT REFORM AND ENGINEERING PROJECT

(Credit No. 2530-MOZ)

Corrigendum

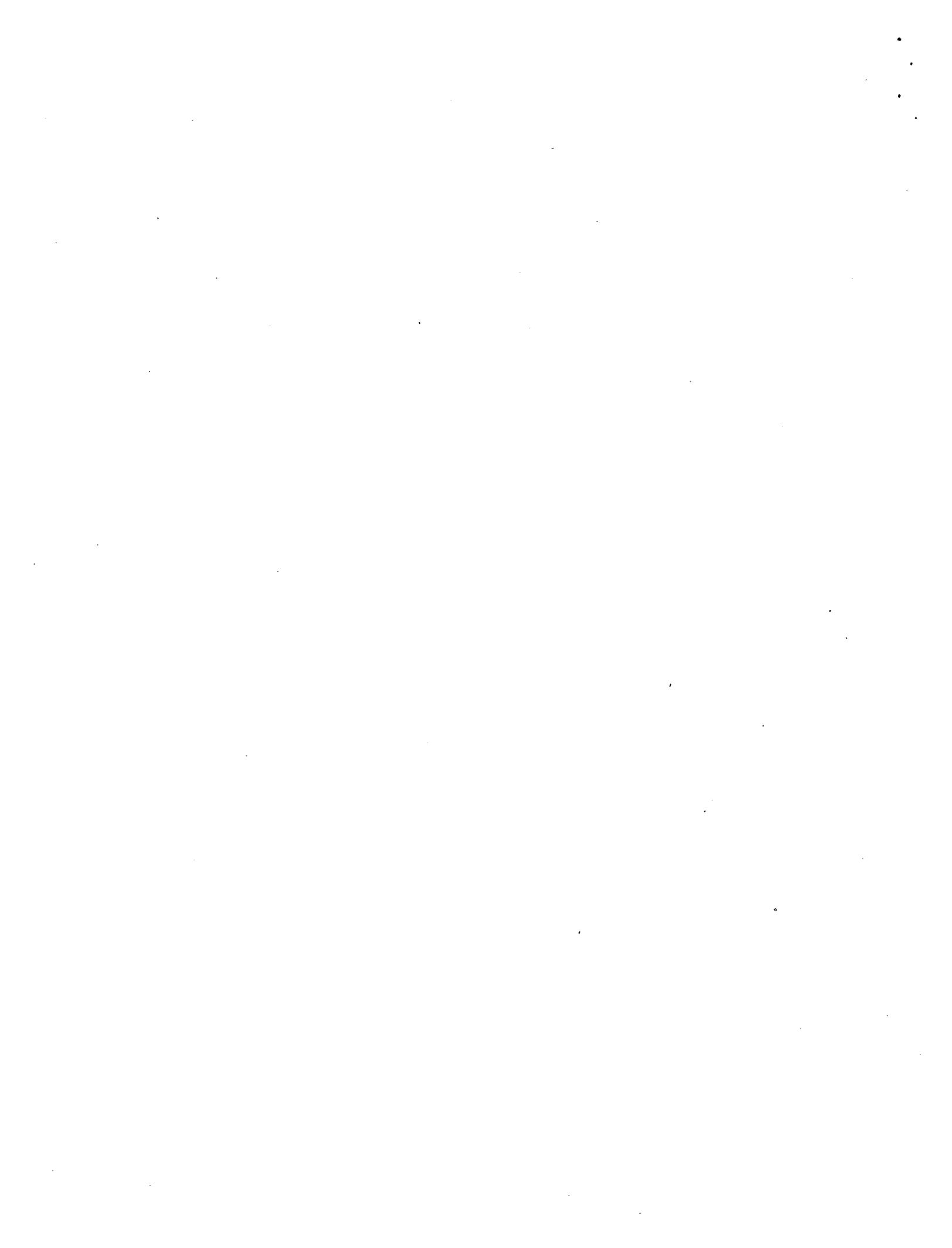
Attached is a copy of Appendix B, Borrower's Evaluation Report, which was omitted inadvertently. The original report entitled "Implementation Completion Report: Republic of Mozambique: Local Government Reform and Engineering Project (Credit No. 2530-MOZ)," dated October 12, 1999 (Report No. 19789) prepared by the Africa Regional Office, was distributed on October 25, 1999 under IDA/SecM99-613.

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Government Evaluation of the Local Government Reform and Engineering Project
(Credit 2530-MOZ)





REPÚBLICA DE MOÇAMBIQUE

MINISTÉRIO DA ADMINISTRAÇÃO ESTATAL
DIRECÇÃO NACIONAL DE ADMINISTRAÇÃO LOCAL

**AVALIAÇÃO FINAL DOS OBJECTIVOS DO PROJECTO DE
REFORMA DOS ÓRGÃOS LOCAIS E ENGENHARIA (PROL)**

(Efectividade de 14 de Julho de 1994 a 31 de Março de 1999)

REPÚBLICA DE MOÇAMBIQUE
MINISTÉRIO DA ADMINISTRAÇÃO ESTATAL
DIRECÇÃO NACIONAL DE ADMINISTRAÇÃO LOCAL

**AVALIAÇÃO FINAL DO PROJECTO DE REFORMA DOS ÓRGÃOS LOCAIS
E ENGENHARIA**

1, INTRODUÇÃO

O Programa de Reforma dos Órgãos Locais (PROL) é um conjunto de medidas de política em que génese remonta a meados dos anos 80 e cujo impulso advém da opção pela abertura à democracia política e ao multipartidarismo consubstanciado na Constituição de 1990.

O diagnóstico e respectiva estratégia resultou do Seminário “Descentralização e Autonomia dos Órgãos Locais” efectuado em Maputo em Novembro de 1991, do qual se destacou a clara recomendação no sentido da Descentralização, como forma de aprofundamento da prática democrática no sentido pluralista e como remédio para alguns problemas que constituem obstáculo para o desenvolvimento económico e social e da atribuição de autonomia administrativa, financeira e patrimonial a entidades locais, com personalidade jurídica própria, dirigidas por quadros eleitos pelas populações através de actos eleitorais livres e amplamente praticados.

O segundo Seminário sobre o PROL, enquanto programa, que decorreu em Maputo no mês de Abril de 1993, organizado pelo Ministério da Administração Estatal (MAE), constituiu sequência lógica e necessária do 1º. Debruçou-se também sobre o processo de descentralização, nas suas várias vertentes, desde a administrativa até a financeira. Enunciou-se os riscos do processo de descentralização. Analisou-se ainda o contexto sociológico, antropológico, cultural e jurídico da autoridade tradicional no País.

Com base nas conclusões do I Seminário, o Conselho de Ministros decidiu aprovar, em linhas gerais, o princípio da descentralização, a qual deveria processar-se gradualmente, devendo iniciar-se em algumas cidades e distritos, a começar pelas cinco então definidas: Maputo, Beira, Nampula, Quelimane e Pemba, um plano de trabalho e ratificaram-se os contactos já em curso com instituições financiadoras, nomeadamente Banco Mundial e ASDI.

Concomitantemente, foi criada uma Comissão Interministerial composta por vários Ministros (Ministros da Administração Estatal, das Finanças, da Construção e Águas, do Trabalho, da Justiça e o então Vice- Ministro do Plano), a qual acompanharia a reforma institucional dos órgãos locais. Para além disso, seria criado um grupo coordenador, composto por Directores Nacionais de vários Ministérios, que acompanharia os trabalhos dos vários grupos técnicos.

2. OBJECTIVOS DO PROJECTO

2.1 Objectivos Gerais

- Descentralização administrativa das cidades de Maputo, Beira, Quelimane, Nampula e Pemba na fase piloto;
- Melhorar as condições de vida das comunidades locais.

2.2 Objectivos Por Componentes

2.2.1 Componente I - Institucional/Legal

- Elaboração de projectos de reforma institucional e legislativa;
- Realização da formação profissional dos funcionários e dos elementos integrantes dos órgãos eleitos.

2.2.2 Componente II - Finanças Locais

- Reforçar o sistema de transferências orçamentais;
- Mobilizar recursos locais;
- Melhorar o sistema de funcionamento dos serviços urbanos;
- Reforçar a contabilidade, orçamento, gestão financeira e sistema de dados;
- Reforçar as funções dos Governos Locais, as condições para recrutamento e, os programas de formação.

2.2.3.III - Infra-estruturas e Meio Ambiente

- Realizar programas de desenvolvimento Municipal nas cinco cidades;
- Preparar e implementar projectos-piloto incluindo a participação de entidades do sector privado;
- Projectar e realizar planos de assentamento necessários para realocar pessoas deslocadas devido à implementação dos projectos-piloto.

2.2.4. IV - Reforço Da Capacidade Institucional Da Gestão Do Projecto

- Dotar as cinco cidades de capacidade institucional para a aplicação do quadro legal municipal, da regulamentação financeira e administrativa;
- Estabelecer e operacionalizar uma Unidade de Apoio Técnico(UAT);

- Reforçar o HABITAR(actual Departamento de Habitação- INAHU);
- Reforçar a CNA(actual MICOA).

3. PERÍODO DO ADIANTAMENTO PARA A PREPARAÇÃO DO PROJECTO (PROJECT PREPARATION-PPF)

O PPF iniciou em 1992 e durante a sua vigência foram realizadas as seguintes tarefas:

- a) Delineamento do escopo e do universo do Projecto de Reforma dos Órgãos Locais e Engenharia;
- b) Elaboração dos TORs das três componentes do Projecto e do TSU (Unidade de Apoio Técnico);
- c) Preparação dos documentos preliminares para as negociações do Acordo de Crédito com a Associação Internacional de Desenvolvimento (International Development Association-IDA) do Banco Mundial;
- d) Entre a data da assinatura do acordo(Development Credit Agreement-DCA)realizado em 17 de Setembro de 1993 e a efectividade do mesmo foram satisfeitas as seguintes condições indispensáveis para que ela tivesse lugar:
 - (i) Concepção e entrada em funcionamento da Unidade Técnica de Apoio(TSU com a sua subdivisão "HABITAR de apoio do Grupo III):
 - (ii) Elaboração dos termos de referência, respectivo concurso e contratação de um planificador urbano sénior, Auditor independente(Price Waterhouse), Gestor para o Grupo III;
 - (iii) Idem de uma Empresa afim de realizar estudos nas áreas organizativa, financeira e de recursos Humanos(KPMG PIET Marwick- Instituto Brasileiro para a Administração Municipal- Consórcio KPMG/IBAM);
 - (iv) Assinatura de acordos entre o MAE e os Conselho Executivos das cinco cidades;
 - (v) Abertura de uma conta para o projecto, em meticais num montante equivalente a 60.000 dólares Americanos;
 - (vi) Actualização dos TORs dos projectos de Nampula(Piloto), transporte não motorizado (Beira) mapeamento rápido das cinco cidades e dos consultores individuais;
 - (vii) Elaboração de draft para lançamento de um concurso para qualificação de Empresas para os concursos de plano de estrutura.

Durante este período o PPF teve o concurso dos seguintes Task-Managers:

Robert Chavez, Kingsley O. Robotham, Richard Beardmore.

Paralelamente foram levadas a cabo as seguintes acções:

- a) Compilação e estudo da legislação vigente sobre os serviços públicos;
- b) Primeiros estudos de natureza organizativa financeira e patrimonial para delinearmento das linhas gerais;
- c) Execução financeira e material do PPF.

Os estudos referidos nas alíneas a) e b) deram lugar a um anteprojecto de Lei QUADRO sobre Distritos urbanos e Rurais, o qual viria a ser aprovado pela Assembleia da República (A. R.) em Setembro de 1994 (Lei 3/94).

4. EXECUÇÃO DO ACORDO DE CRÉDITO

4.1 O acordo de crédito teve a sua vigência de 20 de Julho de 1994 a 31 de Março de 1999, nele incluído o benefício da extensão de um ano aprovado pelo IDA.

Durante esse percurso formalizou-se a estrutura organizativa do PROL e procederam-se às acções e demais tarefas a ele cometidas.

Verificada que foi a ultimação do anteprojecto da Lei sobre o Quadro Legal Autárquico, o qual, como anteriormente se mencionou, foi aprovado pela A. R., passando a ser designado por Lei nº 3/94, de 13 de Setembro.

Com base nele procedeu-se a sua dessiminação através de seminários realizados nas cinco cidades, os quais tiveram a participação da sociedade civil, das associações económicas e sindicais, da comunidade religiosa, para além de elementos pertencentes a Administração Pública, quer de nível central ou provincial, quer de nível local. Neste lançamento procedeu-se também a análise pormenorizada das normas contidas na Lei Quadro.

A arguição da sua inconstitucionalidade levaram a novos estudos e debates que culminaram com a alteração pontual da Constituição verificada em 1996, com a conseqüente modificação da filosofia que enformara o anteprojecto acima referido, o que levou ao refazimento de novos estudos tendentes ao delinearmento do universo da descentralização, dentro dos princípios são da democracia e do multipartidarismo.

A nova Lei Quadro foi aprovada pela A. R. cabendo-lhe o nº 2/97 de 18 de Fevereiro e com ela iniciou-se o processo de elaboração das restantes leis que iriam constituir o pacote legislativo da descentralização, a saber:

Lei nº 6/97- que criou o quadro Jurídico e Legal para a realização das eleições dos órgãos municipais;

Lei nº 4/97- que cria a Comissão Nacional de eleições;

Lei nº 4/94- que institucionaliza o recenseamento eleitoral sistemático;

Lei nº 7/97- que estabelece a tutela administrativa;

Lei nº 8/97- Estatuto específico de Maputo;

Lei nº 9/97- que define o estatuto dos titulares e dos membros dos órgãos autárquicos;

Lei nº- 10/97 que cria o município em 12 cidades e 10 vilas, para além das 11 anteriormente criadas;

Lei nº- 11/97 que estabelece o regime Jurídico das finanças e património autárquicos.

4.2. Na execução do PROL houve o concurso de:

Grupo I:

- Seis Juristas seniores, dos quais quatro de curta duração e dois de duração média,
- Dois Juristas de curta duração e três de curtíssima duração, todos juniores

Com este grupo foi feita a formulação das Leis já referidas, consubstanciado nas bases técnicas apresentadas.

Coube-lhes também a análise e apreciação de diplomas regulamentares celebrados pelo G-II;

Grupo II:

Este grupo teve desde o início um consultor coadjuvado por três técnicos do MAE e foi assistido pelo Consórcio KPMG/IBAM. A sua actuação centrou-se nos estudos das áreas económico- financeiras quer do Estado quer das cidades objecto do projecto e não só, e, bem assim, na parte organizativa e de recursos humanos das cidades com vista às estruturas municipais.

Teve posteriormente após o termo do contrato com o Consórcio o concurso de dois consultores seniores um para a área financeira e outro para a Administração Municipal e de mais cinco consultores juniores que vieram a constituir os grupos técnicos locais das cinco cidades. Este grupo de consultores deu a sua colaboração através de contratos de curta duração.

Para a prossecução de alguns dos diplomas acima referidos foram efectuados estudos de natureza financeira, económica, organizativa, de

recursos humanos, dos quais resultaram em 67 produtos, intermediários e finais.

Grupo III

Este grupo foi constituído por consultores individuais e por Empresas e "Joint Ventures" e tinha a seu cargo a realização dos seguintes projectos:

- Planos de estrutura para as cinco cidades,
- Planos de acções para as cinco cidades,
- Recuperação de infra-estruturas integradas de Natite em Pemba,
- Planeamento e gestão ambiental urbana da cidade de Nampula,
- Transporte não motorizado para a cidade da Beira,
- Mapeamento rápido das cinco cidades e
- Endereçamento da cidade de Maputo.

5. RESULTADOS DA EXECUÇÃO DO CRÉDITO

Não obstante algumas limitações ocasionadas quer pela arguição de inconstitucionalidade da Lei número 3/94, o que levou a repensar todo o processo situação amplamente circunstanciada no relatório final do PROL- o principal objectivo deste projecto foi alcançado. Trata-se do culminar de um processo de descentralização gradual com a instituição de entidades com autonomia administrativa, financeira e patrimonial, com personalidade Jurídica própria distinta da do Estado.

Estamos a referir a realização das eleições autárquicas efectivadas em Junho de 1998 nos 33 municípios existentes, com o conferimento da posse em Agosto do mesmo ano e com ela o início do exercício "de facto" da actividade municipal em Moçambique. Estão já decorridos 9 meses desse mesmo exercício e tudo concorre e assegura o seu sucesso.

6. RESULTADOS POR ALCANÇAR

As dilações verificadas no processo quer motivadas pela inconstitucionalidade de Lei 3/94 quer pela reformulação dos termos de referência dos sub-projectos do Grupo III quer ainda na demora da aprovação da extensão do contrato do Consórcio KPMG/IBAM, ocasionaram um deslocamento das fases sequênciadas do projecto o que, como não poderia deixar de ser, resultou no não cumprimento do módulo dos desembolsos, o que necessariamente obrigou a uma projecção que excedia o limite temporal contido no Acordo de Crédito, ou seja, 31 de Março de 1998.

Frisa-se, contudo, que tal facto não obstou, como já se mencionou, a que se alcançasse o objectivo principal do projecto: O estabelecimento real e concreto dos Municípios.

Foi precisamente por isso que se fizeram duas solicitações de extensão do termo do projecto por mais um ano. Contudo, só a primeira mereceu a aprovação, não obstante existir um saldo de 10.478.895,31, nele incluso o montante de 5.021.951,22 cuja redução fora efectuada por não ter sido cumprido os parâmetros do módulo de desembolsos. Esse facto não veio permitir a implementação das experiências- piloto que deveriam ter sido efectuadas na base do quadro jurídico- legal aprovados e do início da autarcização, pelo período de um ano, como constava constava do cronograma do projecto PROL.

Este exercício teria sido de primordial importância na edificação do edifício municipal uma vez que teria sido o laboratório na qual haveria a oportunidade de se rectificar quaisquer imperfeições, corrigir desvios e sanar lacunas.

7. CONCLUSÃO

O processo foi de merecimento pela realidade que hoje se verifica nas 23 cidades e 10 vilas, tendo válido a pena e ser de louvar todos os esforços nele concentrados.

Como não poderia deixar de ser, trata-se do início, da arrancada, do municipalismo no País, pelo que há ainda um longo caminho a trilhar para seu aprimoramento e solidificação, devendo-se debruçar sobre áreas como: institucionalização dos 33 municípios, capacitação quer em termos de formação e treinamento do pessoal existente e o a recrutar quer de apetrechamento de equipamentos e espaços, complementar com dispositivos legais de certos segmentos das áreas Administrativa, Financeira e de prestação de serviços, provenientes de lacunas ou dos ensinamentos apreendidos durante o processo, criação de condições com reabilitação de infra- estruturas existentes com vista a uma melhor prestação de serviços aos seus munícipes e o melhoramento do meio- ambiente.

Em anexo um mapa diagramático de recolha e análise de acções e objectivos do PROL e outro de execução de Crédito que faz parte integrante desta avaliação.

Maputo, Junho de 1999

AVALIAÇÃO FINAL DOS OBJECTIVOS DO PROL

Nº	ACÇÕES	REALIZAÇÕES	PRODUTOS	AVALIAÇÃO
1.-	Reforço Institucional e gestão do Projecto			
1.1	Assessoria técnica ao MAE	Prestada a assessoria técnica ao MAE em vários domínios		Bom
1.2	Formação aos técnicos do MAE	Realizada a formação de todos os técnicos do MAE em matérias de legislação autárquica		Bom
1.3	Formação às autarquias sobre: a) Quadro legal	Foi realizado um curso para os Presidentes das Assemblelas e Conselhos Municipais e técnicos das 33 autarquias		Excelente
	b) Regime financeiro	idem		Regular
	c) Procedimentos administrativos	idem		Insuficiente
1.4	Institucionalização da Unidade de Apoio Técnico (UAT/TSU) : Operacionalidade da TSU nas várias áreas	Felta	TOR	
1.4.1	Desenvolvimento Administrativo Organizacional	Preparação de encontros, contactos com o WB, e Ministérios do Plano e Finanças, das Obras Públicas e Habitação e para a Coordenação da Acção Ambiental, com o INPF e outras instituições		Regular, contudo actuou nos últimos dois anos

1.4.2	Na Área de Aquisição de Bens ("Procurement")	Feitas algumas aquisições de viaturas, equipamento informático, mobiliário, aparelhos de ar condicionado e consumíveis		Deficiente, com parte de culpas do WB
1.4.3	Na Área de Gestão Financeira	Pagamento de prestações de serviços e consultores	Processos de contas semestrais e anuais Auditorias anuais	Bom
1.4.4	Na Área de Coordenação de Formação	Elaborado plano de formação para as 5 cidades		Insuficiente, pois algumas acções foram canceladas
1.5	Fortalecimento e operacionalidade do HABITAR	Devido à evolução política do País deixou de ser uma acção relevante, o que levou à sua extinção		
1.6	Fortalecimento da Comissão Nacional do Ambiente (CAN)	A CAN transformou-se no Ministério para a Coordenação da Acção Ambiental, tornando-se beneficiário do PROL		suficiente
2	Avalliação da Reforma Institucional e legal			
2.1	Levar a cabo uma reforma legislativa e legal, incluindo:			
2.1.1	Revisão da legislação e o quadro administrativo dos governos locais (Conselhos Executivos)	Elaboração da proposta de Lei Quadro das Autarquias Locais	Aprovação da Lei	Bom
2.1.2	Especificar o grau de autoridade e responsabilidade a serem conferidos aos governos central, provincial e local	Elaboração da proposta de Lei da Tutela Administrativa do Estado	Aprovação da Lei	Bom

2.1.3	Definição de unidades técnicas a serem criadas ou reestruturadas	Feita		Regular
2.1.4	Elaboração do quadro legal para permitir a Implantação da reforma municipal (Quadro Legal da descentralização) a nível nacional	Elaboração do pacote autárquico que possibilitou a realização de eleições autárquicas que culminaram com a instituição de 33 autarquias	Leis	Bom
2.1.5	Elaboração de leis específicas com a finalidade de facilitar a testagem da reforma (descentralização) nas cinco cidades do projecto	Feitas algumas propostas de regulamentos e posturas		Insuficiente, pois o processo não foi completo
2.2	Fortalecimento da capacidade de Moçambique na área de formação e desenvolvimento de capacidades e habilidades, através de:			
2.2.1	Desenhar e implantar um programa de formação para grupos chave a nível central, provincial e local	Realização de seminários sobre o Pacote Autárquico dirigidos a quadros dos níveis central, provincial e local		Razoável
2.2.2	Revisão da estrutura da Escola de Estado e Direito e do Centro de Formação em Gestão Pública Local			Não feita, por estar sob a alçada da DNFP
2.2.3	Desenvolver habilidades básicas relacionadas com as funções dos futuros municípios			

3	Avaliação da Reforma Fiscal, Financeira e Organizacional			
3.1	Fortalecimento do sistema de transferências fiscais através da revisão do sistema de taxas e do desenho e implementação de critérios orientadores da partilha das receitas do Goerno central e das transferências fiscais	Aprovação da Lei 11/97 sobre Finanças Autárquicas Estudos de impostos de nível central, provincial e local	Diagnósticos e Políticas	Bom
3.2	Mobilização de recursos locais através de:			
3.2.1	Revisão de fontes de receitas locais e desenvolvimento de propostas de reforma	Consagrado no documento Mobilização de Receitas Locais e transferências orçamentais	Diagnósticos e Políticas	Bom
3.2.2	Estabelecimento de princípios para a recuperação de custos	Taxas por licenças concedidas, Tarifas e taxas pela prestação de serviços, coimas e multas	Diagnósticos e Políticas	Bom
3.3	Melhorar o sistema de financiamento dos serviços urbanos através de:			
3.3.1	Revisão da estrutura financeira dos serviços públicos urbanos e a actual política de estabelecimento das tarifas	Elaborado o estudo para o delineaamento da prestação de serviços de utilidade pública urbana	Diagnósticos e Políticas	Razoável
3.3.2	Revisão da participação do sector privado na prestação de serviços urbanos a nível local e determinação do potencial para um maior envolvimento	Consagrado no Estudo de políticas de serviços urbanos de utilidade pública a prestação de serviços por empresas privadas sob várias formas	Diagnósticos e Políticas	Razoável
3.3.3	Determinar a relação entre níveis de tarifas e correspondentes custos de operação e manutenção para serviços específicos	Consagrado no Estudo de políticas de serviços urbanos de utilidade pública os mecanismos de fixação de custos	Diagnósticos e Políticas	Razoável
3.3.4	Examinar as políticas de investimento público	Consagrado no documento Mobilização de Receitas Locais e transferências orçamentais	Diagnósticos e Políticas	Razoável

3.4	Fortalecimento da gestão financeira, contabilidade, orçamento e sistema electrónico de dados através de:			
3.4.1	Melhorar a contabilidade, orçamentação, planificação financeira, gestão tributária e controlo interno	Implantação do Sistema de Gestão das Finanças Locais(SISGEF) nas 5 cidades piloto	Manuais de : Elaboração do orçamento, Execução das Despesas, Tesouraria Cobrança de receitas, Contabilidade e Controlo interno e Auditoria	Bom
3.4.2	Incorporar as contas de capital nos orçamentos dos governos locais	Consagrado na Lei nº11/97		Bom
3.4.3	Desenvolver o sistema de prestação de contas incluindo a auditoria e outros mecanismos de controlo	Contemplado no SISGEF	Manuais do SISGEF	Bom
3.4.4	Introduzir sistemas de processamento electrónico de dados e de gestão de informação	Desenvolvimento e implantação do Sistema Informático de Gestão das Finanças Locais (SISGEF) nas 5 cidades piloto	Manual de utilização do SISGEF	Bom
3.5	Fortalecimento das funções dos governos locais, quadros de pessoal e programas de formação através de:			
3.5.1	Definir procedimentos administrativos relativamente a contabilidade, funções financeiras e processamento de dados, necessidades de pessoal e sua formação	Elaborada a proposta de estrutura e quadro de pessoal para cada um dos 5 Conselhos Municipais, criados os Gabinetes Técnicos Locais representados a nível local por assessores contratados		Razoável
3.5.2	Desenvolver e implementar programas de formação para o pessoal financeiro e de contabilidade	Realizadas duas acções de treinamento no PROL para o pessoal a trabalhar no sistema Informático SISGEF Realizadas várias acções		Bom

		de treinamento "on the job" nas 5 cidades para o pessoal da área financeira dos Conselhos Municipais		
4	Avaliação da Reforma na Gestão Urbana e ambiental			
4.1	Levar a cabo programas de desenvolvimento municipal nas cidades piloto através de preparação e implementação de um Programa de Desenvolvimento Municipal para cada Cidade do piloto	Elaborados regulamentos de procedimentos para o planeamento e gestão do desenvolvimento urbano Elaborados planos de estrutura para as cidades de Quelimane, Pemba, Nampula, Beira e Dondo e área metropolitana de Maputo e Planos de Acção Prioritárias para as cidades de Pemba, Quelimane e Beira		Razoável
4.2	Preparação e implementação de subprojectos piloto incluindo a participação do sector privado, nomeadamente:			
4.2.1	Melhoramento de Infraestruturas Integradas do Bairro de Natite (Pemba)	Inquéritos à população, análise da situação actual do Bairro, análise da situação financeira, elaboração de projectos executivos de: mercado, escola primária, valas de drenagem, ruas e centro recreativo de Natite.		Deficiente, as obras não foram realizadas
4.2.2	Gestão Ambiental Urbana de Nampula	Elaboração de projectos executivos de Mercado e Posto de Saúde de Muhala, Mercados de Murrapaniwa e da Falna, Escola de Namuhato, Viveiros e canal de Irrigação, vias e fontenários		Deficiente, as obras não foram realizadas
4.2.3	Transporte Não Motorizado na cidade da Beira	Elaboração dos Termos de Referência		Mau, a compra foi cancelada
4.2.4	Mapeamento Rápido das 5 cidades	Digitalização dos mapas, traingulação aérea,	Fotografias aéreas e	Bom, foi

		análise e planeamento da Rede Nacional Geodética, Treinamento de pessoal e produção de documentos	mapas fotogramétricos	financiado pela NORAD
4.2.5	Sistemas de Informação do Solo Urbano de Maputo	<p>a) Elaboração do projecto de construção do edifício para o arquivo do cadastro de Maputo e lançado o respectivo concurso de obras</p> <p>b) Criação de um sistema simplificado de cadastro adequado aos vários tipos de ocupação</p> <p>c) Numeração das ruas e afixação de placas, actualização da numeração das portas de entrada, edição de um guia de endereçamento da cidade, edição de mapas de endereçamento e organização de um ficheiro informatizado</p>	Criação de uma célula de endereçamento	<p>Deficiente, as obras não foram realizadas</p> <p>Deficiente, as obras não foram realizadas</p> <p>Bom, foi financiado pela cooperação francesa</p>
4.3	Desenho e realização de planos de reassentamento das pessoas afectadas pela implementação dos subprojectos piloto	Realizadas discussões com as populações aivo e definidas zonas alternativas para a fixação		Deficiente, as obras não foram realizadas

MINISTERIO DA ADMINISTRACAO ESTATAL

PROL - CR. 2530/MOZ

GASTOS TOTAIS DESDE 1994 ATÉ 6/ABRIL DE 1999 POR CATEGORIAS DE DESEMBOLSOS

COD	CATEGORIAS	VALOR ORÇAMENTADO		(UNIDADE = USD)					GASTOS TOTAIS (3)	REDUÇÃO DE VERBAS PELO "MB" (4)	SALDOS 5=2-3+4	
		SDR (1)	USD (a) (2)	GASTOS								
				1994	1995	1996	1997	1998				1999 JAN a 6/ABRI
1	STUDIES AND AUDITIES	3,140,000.00	4,441,951.22						2,133,466.15		4,441,951.22	
2	CONSULTANT'S SERVICES	4,700,000.00	6,648,780.49	851,245.00	2,227,494.64	1,409,210.95	1,295,803.30	1,859,466.30	56,076.95	9,776,684.34	(3,127,903.85)	
3	TRAINING	1,040,000.00	2,602,926.83		124,500.36	87,372.95	136,340.60	527,041.45		831,332.31	1,046,429.77	
4	CIVIL WORKS UNDER PART C.2. OF THE PROJECT	920,000.00	1,301,463.41								1,301,463.41	
5	VEHICLES EQUIPMENT SPARE PARTS AND SUPPLIES	1,900,000.00	2,000,975.61			79,011.01	305,751.23	282,194.57	57,750.00	724,706.81	1,881,463.41	
6	INCREMENTAL OPERATING COSTS	1,760,000.00	2,489,756.10		11,010.16	19,548.46	90,936.68	155,982.81	20,310.46	297,788.57	2,093,658.54	
7	SERVICES UNDER PART C.3 OF THE PROJECT	70,000.00	99,024.39								99,024.39	
8	REFUNDING OF PROJECT PREPARATION ADVANCE	900,000.00	1,273,170.73	990,592.66						990,592.66	282,578.07	
9	UNALLOCATED	1,090,000.00	1,541,951.22								1,541,951.22	
	TOTAL	16,400,000.00	23,200,000.00	1,841,837.66	2,363,005.16	1,595,143.37	1,878,831.81	2,824,665.13	2,267,601.56	12,721,104.69	5,021,951.22	10,478,895.31

OBS: O valor total do credito, foi reduzido de SDR 16.400.000,00 para SDR 12.850.000,00 pela deducao de verbas nas categorias 3 - Training; 5 - Vehic. Equip.; e 6 - Inc. Op. Costs, no valor global de SDR 3.550.000,00 =USD5.005.500,00 ocorrida em Dezembro de 1997.

APPENDIX B

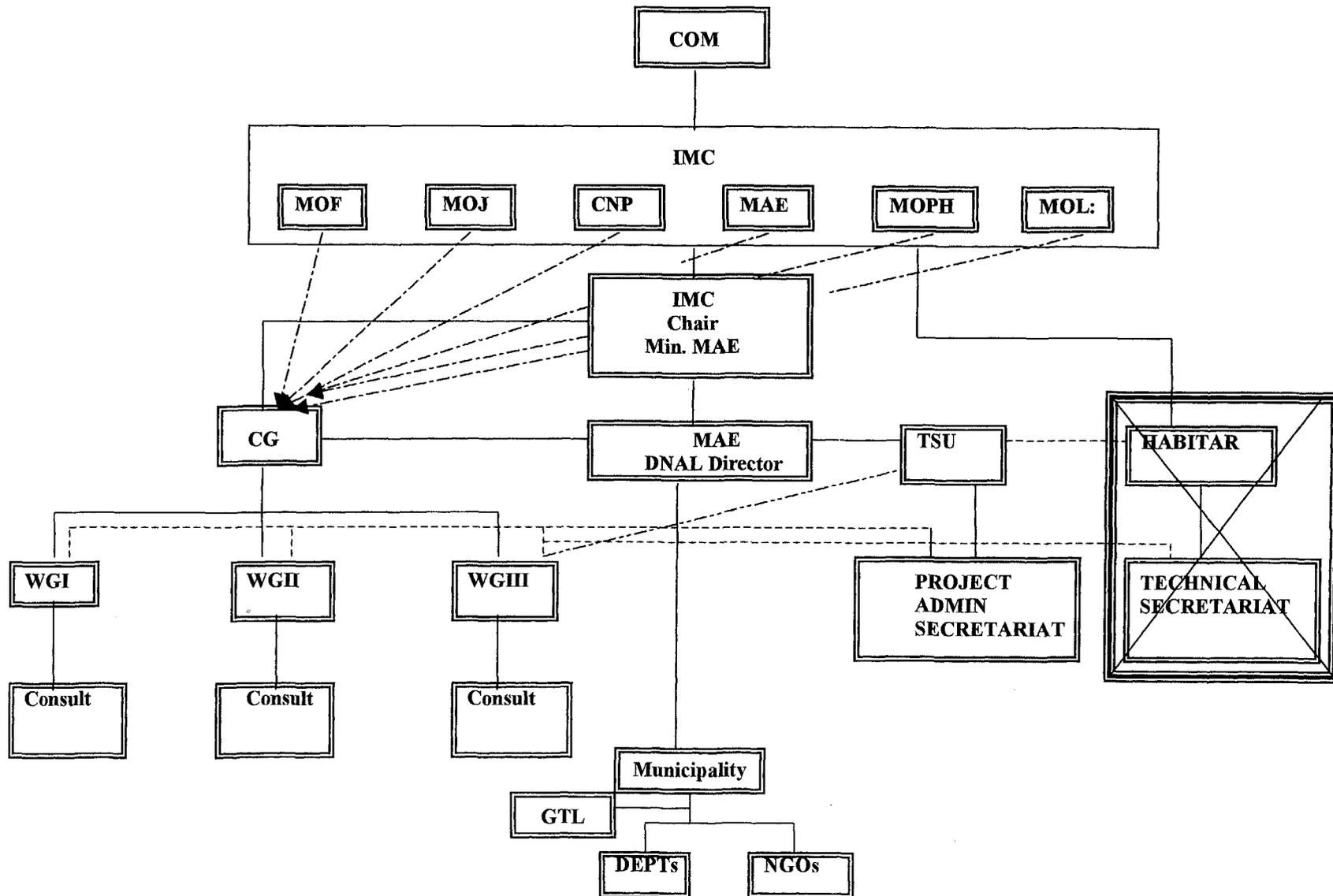
Annex 2.

**LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT (PROL)
(Project MZ-PE-1791, Credit 253000 – MOZ)
IMPLEMENTATION COMPLETION MISSION**

List of Attendees at the PROL Evaluation Workshop

Institution/Instituicao	Name/Nome	Position/Posicao
Banco de Mocambique	Francisco Mendes	Tec. Coordenador de Projectos
Banco Mundial	Alan Carroll	Chefe de Missao
Banco Mundial	Luis Carvalho	Consultor Eng. Civil
Banco Mundial	Jocelyn Mason	Consultor
CMB	Edmundo Mussengue	Arquitecto
CMB	Univanice Muchangage	Presidente
CMC Pemba	Assubugy Mehgy	President
CMCP	Jose de Jesus Avelino	Tec. Florestal/ Director
CMCP Nampula	Jose Marques B. dos Santos	Tecnico Florestal
CMCP Nampula	Dinonisio Cherewa	Presidente
DNHU - MOPH	Domingos Mawamule	Director
GI - PROL	Fernando Rostino Macamo	D. N. Adjunto
GTL - GII - CM Pemba	Alda Reis	Consultor
GTL/GII - Maputo	Severino Mateus	Assessor
GTL/GII - Nampula	Jorge Tinga	Assessor
MAE- DNAL	Jose Manuel Guambe	Director Nacional
MAE/DNAL	Holger Jonasson	Assessor
MOPH - IGOP	Jorge Pedro de Eusebio	Inspector Geral
PROL – TSU	Esmeraldo Pardal	Coord. Formacao
PROL – TSU	Rosinda Nunes	Procurement
PROL – GIII	Arlindo Dgedge	Arquitecto
PROL – GIII	Antonio Tovela	Planificador
PROL - GIII	Joaquim Almeida Fernandes	Coordenador GIII
PROL - GIII	Charlotte Allen	Consultora
PROL – GII	Lourenco Pinhal	Coordenador
PROL - GP II - Quelimane	Yasmin Camurdin	Consultor
PROL - Grupo I	Jose Pedro Ramos Assuncao	Consultor
PROL GIII - Beira	Manuel Armando	Planificador Urbano
Quelimane	Rafael Adeus M.	Eng. Tecnico Civil
Quelimane	Pio Matos	Presidente

PROL MANAGEMENT STRUCTURES



Note: HABITAR was cancelled a month after effectiveness, and WGIII reported directly to TSU and DNAL.