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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-4705)

ON A

CREDIT

IN THE AMOUNT OF SDR 19.6 MILLION
(US\$30.4 MILLION EQUIVALENT)

TO THE

REPUBLIC OF MOZAMBIQUE

FOR THE

NATIONAL DECENTRALIZED PLANNING AND FINANCE PROJECT

December 22, 2015

Social, Urban, Rural and Resilience Global Practice (GSURR)
Country Department AFCS2
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective September 30, 2015)

Currency Unit = New Mozambique Metical (MZN)

US\$1.00 = MZN 42.50

US\$1.00 = SDR 0.72

FISCAL YEAR

January 1–December 31

ABBREVIATIONS AND ACRONYMS

AT	Administrative Tribunal
AWPB	Annual work plan and budget
CPS	Country Partnership Strategy
CdSP	<i>Comité de Supervisão Provincial</i> (Provincial Supervision Committee)
DPFP	Decentralized Planning and Finance Project
e-SISTAFE	<i>Sistema de Administração Financeira do Estado</i> (Computerized Government Financial Administration System)
ESMF	Environmental and social management framework
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German Society for International Cooperation)
FA	Financing Agreement
IDA	International Development Association
ISR	Implementation Status Report
LOLE	<i>Lei dos Órgãos Locais do Estado</i> (Law of Local Organs of the State)
MAEFP	Ministry of State Administration and Civil Service
M&E	Monitoring and evaluation
MEF	Ministry of Economy and Finance, formerly MPD
MOU	Memorandum of Understanding
MPD	Ministry of Planning and Development
MTR	Midterm Review
NDPFP	National Decentralized Planning and Finance Project
PAD	Project Appraisal Document
PARPA	<i>Plano de Acção de Redução de Pobreza Absoluta</i> (Action Plan for the Reduction of Absolute Poverty)
PDO	Project Development Objective
PESOD	<i>Plano Económico Social e Orçamento Distrital</i> (District Operational Plan and Budget)
PLACOR	Administrative Tribunal Corporate Plan
PRODER	<i>Programa para o Desenvolvimento Rural</i> (Rural Development Program)
SMoDD	<i>Sistema de Monitoramento do Desenvolvimento dos Distritos</i> (District Development Monitoring System)
SMPD	<i>Sistema de Monitoria dos Processos Distritais</i> (District Performance Monitoring System)
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program

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REPUBLIC OF MOZAMBIQUE

NATIONAL DECENTRALIZED PLANNING AND FINANCE PROJECT

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Data Sheet

A. Basic Information			
Country:	Mozambique	Project Name:	National Decentralized Planning and Finance Project
Project ID:	P107311	L/C/TF Number(s):	IDA-47050
ICR Date:	12/22/2015	ICR Type:	Core ICR
Lending Instrument:	TAL	Borrower:	Republic of Mozambique
Original Total Commitment:	XDR 19.60 M	Disbursed Amount:	XDR 19.50 M
Environmental Category: C			
Implementing Agencies: Ministry of Economy and Finance (formerly Ministry of Planning and Development)			
Cofinanciers and Other External Partners: Netherlands, Ireland, Switzerland (Common Fund Partners), German Society for International Cooperation (GIZ), and the United Nations Development Program (UNDP) (Non-common Fund Partners).			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	06/30/2008	Effectiveness:	06/30/2010	08/30/2010
Appraisal:	12/09/2009	Restructuring(s):		1/14/2014
Approval:	03/30/2010	Mid-term Review:	06/30/2013	09/18/2013
		Closing:	06/30/2015	06/30/2015

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Satisfactory
Overall Bank Performance:	Moderately Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Sub-national government administration	100	87
Central government administration		13
Theme Code (as % of total Bank financing)		
Decentralization	31	50
Public expenditure, financial management and procurement	41	43
Other public sector governance	15	
HIV/AIDS	11	5
Other accountability/anti-corruption	2	2

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Makhtar Diop	Obiageli K. Ezekwesili
Country Director:	Mark Lundell	Luiz Awazu Pereira da Silva
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F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The Project Development Objective (PDO) was to improve the capacity of local government to manage public financial resources for district development in a participatory and transparent manner.

Revised Project Development Objectives (as approved by original approving authority)

The Project Development Objective was not revised.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Districts with more than 90% budget execution of their district operational plan (PESOD) (number).			
Value quantitative or qualitative)	85	110		110
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target was achieved.			
Indicator 2 :	Districts with annual PESOD execution report publicly displayed and discussed in district councils in accordance with guidelines (number).			
Value quantitative or qualitative)	0	115		116
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target was achieved.			
Indicator 3 :	Districts that report on district performance in decentralized planning and finance through the District Performance Monitoring System (SMPD/SMoDD) (number).			
Value quantitative or qualitative)	0	128		128
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target was achieved.			
Indicator 4 :	Direct project beneficiaries (number)			

Value quantitative or Qualitative)	0	10,368 (30% female)		27,223
Date achieved	3/30/2010	3/30/2010		6/30/2015
Comments (incl. % achievement)	The target was exceeded Only the gross number of participants was monitored (instead of tracking individuals), but the actual beneficiaries are still likely to be above target. Yet, there are no data available on the proportion of female participants.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Districts that have received all final and all available updated district process dossiers and implementation manuals (number).			
Value (quantitative or qualitative)	0	128		128
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target was achieved.			
Indicator 2 :	Degree of progress in developing and rolling out the performance monitoring system for decentralized planning and finance (SMPD/SMoDD)			
Value (quantitative or qualitative)	0	Tool formally adopted by government		Tool formally adopted by government
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target was met. The SMoDD has been rolled out to all 128 districts that participated in the project, all of which are using it, in accordance with the government's district planning guidelines.			
Indicator 3 :	Provincial trainers recognized by the pertinent ministries in relevant areas of NDPFP (number).			
Value (quantitative or qualitative)	0	50	100	463
Date achieved	7/7/2010	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	The target was significantly exceeded. The project financed training in five core areas of district administration through ministries, which issued certificates to the people who developed competencies.			
Indicator 4 :	Districts with an operational plan (PESOD) approved and disseminated in accordance with (selected criteria: dissemination through SMoDD, the consultative councils, and the media) in established planning guidelines (number).			
Value (quantitative or qualitative)	28	122	114	110
Date achieved	11/27/2013	07/07/2010	11/27/2013	6/30/2015

Comments (incl. % achievement)	Achievement is slightly below target. In 2014, 126 districts approved PESODs, 119 disseminated them through SMOdd; 121 discussed them with their consultative councils; 116 disseminated them through radio, TV or newspapers; but only 110 met all 3 criteria.			
Indicator 5:	District Councils that operate in accordance with (selected criteria: consultative councils must exist at district and sub-district levels; these meet at least twice a year; and have at least 30 percent female members) in current legislation (number).			
Value (quantitative or qualitative)	7	102	78	43
Date achieved	11/27/2013	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	The target was not met. This indicator is comprised of three sub-indicators, which only 43 districts achieved in 2014, down from 58 in 2013. The decline was due mainly to councils not holding the mandatory second meeting.			
Indicator 6:	Districts with financial processes closed in e-SISTAFE at the end of the financial year (number).			
Value (quantitative or qualitative)	50	110		91
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target was not met. Although 115 districts closed their financial processes at the end of the financial year, only 91 entered the required information and obtained approval through e-SISTAFE by the deadline of January 15, 2014.			
Indicator 7:	Proportion of procurement contracts in public works executed by the districts with post review processes ("anotação") submitted to the Administrative Tribunal or prior approval ("visto") granted by AT (percentage).			
Value (quantitative or qualitative)	13	60	50	62
Date achieved	11/27/2013	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	The actual achievement exceeded the original target value of 60.			
Indicator 8:	Local government technical staff strengthening the intervention areas of the Program, integrated in civil service personnel system and payroll (number).			
Value (quantitative or qualitative)	98	628	444	515
Date achieved	7/7/2010	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	The target was reduced following changes in legislation that made it difficult to hire consultants using project finance. Progress was better than expected during the final 18 months of the project, and the revised target was exceeded.			
Indicator 9:	Districts with an annual increase of at least 10% in local revenue collection and registration in e-SISTAFE (number).			
Value (quantitative or qualitative)	65	85		33
Date achieved	11/27/2013	07/07/2010		6/30/2015

Comments (incl. % achievement)	The target was not met. The baseline was raised during the restructuring from 59 to 65 ¹ . However, performance has subsequently deteriorated, and only 33 districts were able to increase their revenues by 10% in 2014, compared to 59 in 2013.			
Indicator 10:	Districts that submitted their annual financial statements to the Administrative Tribunal in accordance with current legislation (number).			
Value (quantitative or qualitative)	7	128	110	75
Date achieved	11/27/2013	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	While the target was not met, there has been a remarkable increase to 75 districts sending their financial statements to AT within the deadline out of 118 that had prepared them and 105 that sent them to the AT.			
Indicator 11:	Districts with their accounts audited by the Administrative Tribunal (number).			
Value (quantitative or qualitative)	17	44	39	42
Date achieved	7/7/2010	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	The end of project target for this indicator was exceeded.			
Indicator 12:	Districts that inform their local consultative councils about the results of internal and external control exercises (number).			
Value (quantitative or qualitative)	29	128	110	27
Date achieved	7/7/2010	07/07/2010	11/27/2013	6/30/2015
Comments (incl. % achievement)	The target for this indicator was not met. The indicator refers to the number of districts that inform their consultative councils of their audit results. Although considered a good practice, there is no legal requirement to do this.			
Indicator 13:	N-DPFP webpage in the government (MEF/formerly MPD) portal updated at least 3 times per year with best practices and district performance reports (number).			
Value (quantitative or qualitative)	0	Information updated with 12 best practices and SMPD summary report		Information updated with 12 best practices and SMPD summary report.
Date achieved	11/27/2013	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target for this indicator was met. The website was updated with 12 best practices and the SMPD summary report.			
Indicator 14:	Districts that use at least three established best practices in decentralized planning and finance (number).			
Value (quantitative or qualitative)	0	128	100	126
Date achieved	7/7/2010	07/07/2010	11/27/2013	6/30/2015

¹ The original baseline in the results framework of the Project Appraisal Document reflected information from a sample of only 32 districts and was reviewed following the Mid-Term Review in 2013 to reflect more complete data collected through the District Development Monitoring System (SMoDD) during its rollout.

Comments (incl. % achievement)	The revised target for this indicator was exceeded.			
Indicator 15:	Best practices identified and disseminated (number).			
Value (quantitative or qualitative)	0	12		12
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target for this indicator was met.			
Indicator 16:	Timely submission of consolidated project annual work plan and budget (AWPB) and monitoring reports (percentage).			
Value (quantitative or qualitative)	0	100%		100%
Date achieved	7/7/2010	07/07/2010		6/30/2015
Comments (incl. % achievement)	The target for this indicator was met.			

G. Ratings of Project Performance in ISRs

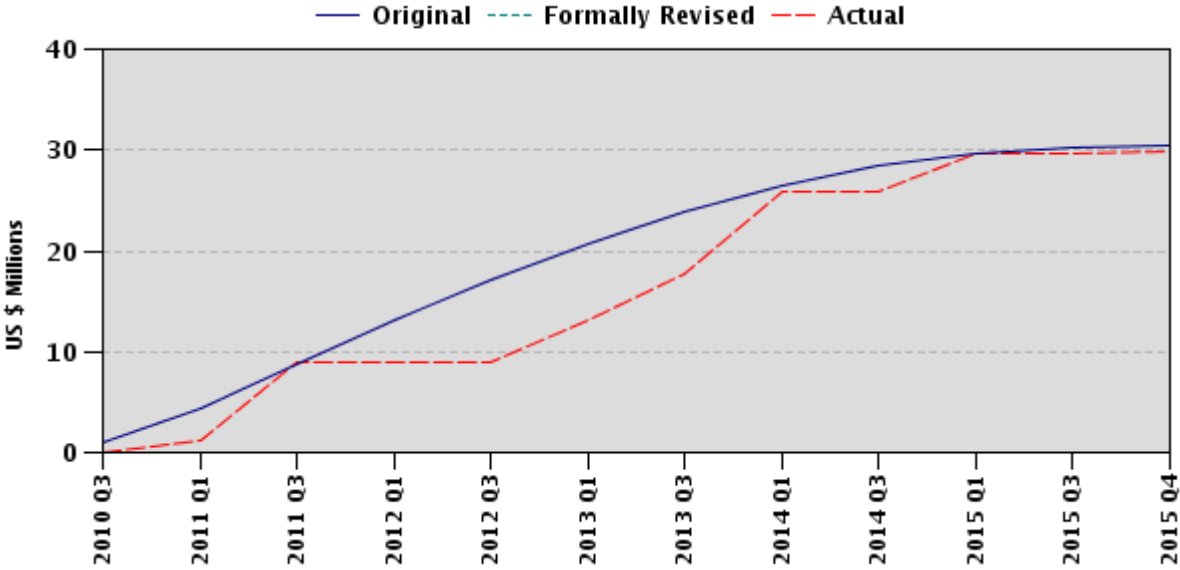
No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	06/03/2010	Satisfactory	Satisfactory	0.00
2	12/06/2010	Satisfactory	Satisfactory	1.18
3	12/18/2010	Satisfactory	Moderately Satisfactory	9.05
4	10/27/2011	Satisfactory	Moderately Satisfactory	9.86
5	12/12/2013	Satisfactory	Moderately Satisfactory	16.77
6	07/09/2013	Satisfactory	Moderately Satisfactory	22.36
7	02/08/2014	Satisfactory	Moderately Satisfactory	25.94
8	07/12/2014	Satisfactory	Moderately Satisfactory	29.62
9	12/01/2014	Satisfactory	Satisfactory	29.62
10	06/09/2015	Moderately Satisfactory	Satisfactory	29.95

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
01/14/2014	N	S	MS	25.94	The project underwent a level 2 restructuring to revise the results framework. The Project Development Objective was not

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					revised, nor were any PDO-level indicators, baseline or target values revised. The wording of several intermediate outcome indicators was revised, and the baseline and target values of some were shifted. The restructuring was approved on January 14, 2014.

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1.1 Context at Appraisal

1. *Country and sector background.* Despite sustained high economic growth rates in the 2000s and concomitant reduction in absolute poverty, Mozambique remains a low-income country. Access to public services is severely limited in many rural areas and human development, although improving, remains low compared to other countries in southern Africa. To address these challenges, the Government of Mozambique committed to decentralized planning and finance in the early 2000s, in particular in its First Action Plan for the Reduction of Absolute Poverty (PARPA I, 2001–05) and its 2001 Global Strategy for Public Sector Reform. It reiterated its commitment for decentralized service delivery in PARPA II (2006–09) that, among other things, aimed to: (a) accelerate poverty reduction by increasing provision of basic infrastructure and services in rural areas; (b) increase the transparency, accountability, and quality of public sector planning and execution to ensure that the resulting investment choices responded to local preferences and that the projects were implemented efficiently; and (c) raise the efficiency and effectiveness of the public service.

2. At the time of appraisal, the decentralization process in Mozambique was however still at a nascent stage and the Government did not yet have a broader decentralization strategy that was embedded in the PARPAs I and II. Unlike in countries with British colonial legacies, there was no strong tradition of local government and local capacity after the peace accord was almost non-existent. The concept of local governance in Mozambique was based on decentralization under the municipal framework law of 1997 on the one hand and deconcentration under the law on local state organs (LOLE) of 2003 on the other. The former established municipalities with locally elected governments and transferred responsibilities in 33 areas with urban features,² while the latter set up 11 provinces and 128 administrative districts³ as deconcentrated entities with administration appointed by the national government and limited responsibilities. The LOLE designates the district government as the local state body empowered to carry out the government's program and its annual economic and social plan at the local level. The LOLE regulations of 2005 required each district to elaborate, through a participatory process, a five-year strategic and development plan (PEDD) and its annual operational plan and budget (PESOD). At the time of appraisal, these were recent requirements for the districts, planning instruments were still limited in coverage and quality, and most districts had limited capacity to meet the demands.

3. The LOLE also gave districts the status of 'budgetary unit.' As a result, districts became the recipients of small direct fiscal transfers to support their recurrent and investment budgets and deconcentrated sector funds for the first time in 2006, replacing the previous discretionary allocation of funds by provinces. In order to ensure that districts received and used the funds as intended, the Government also started rolling out a computerized public financial system (e-SISTAFE) to all districts at the time of appraisal. As Mozambique pursued decentralization through deconcentration of resources and competencies, the districts were becoming an increasingly important government sphere, but with low capacity to fulfill their core functions.

² The elections of 1999 allowed for the first time elected municipal governments as part of the reform to provide representative government and to promote the decentralization of political authority. In 2008, the municipalities were expanded to 43.

³ In 2013, 22 new districts were created.

4. ***Rationale for World Bank involvement.*** The World Bank and other development partners had been supporting the government's decentralization and local government capacity program since the late 1990s, but the initiatives were scattered across the country and followed different approaches. The Bank-financed Decentralized Planning and Finance Project (DPFP-Centro, 2004-2009) supported decentralized service delivery in four provinces in central Mozambique⁴ building on the experience of a decentralized planning and finance pilot in Nampula Province funded by the United Nations Capital Development Fund (UNCDF), the United Nations Development Program (UNDP), and the Netherlands, while other development partners were assisting decentralization capacity building in other provinces⁵. Encouraged by the success of these initiatives, the government requested the Bank and development partners in March 2008 to finance its National Decentralized Planning and Finance Program (NDPFP), which would scale up the decentralization approach to cover all districts in the country. In addition, it was intended to complement the ten-year Bank-financed public sector reform program that had started in 2003, by focusing on technical assistance and capacity building of local governments. The program was designed as a single strategy based on harmonization of the experiences and methodologies made under the preceding programs. The Government and other development partners considered the Bank a key partner, as it brought global experience with public sector reform, decentralization, local governance, participatory planning, and accountability, as well as substantial financial resources to support these processes in Mozambique. In addition, the Bank was well placed to take a leading role in the process given its broad engagement with multiple line ministries and relevant governmental agencies at central level, but also to coordinate and support cross-cutting sectoral participation at provincial and district levels.

5. ***Contribution to higher-level objectives.*** The project was a central element of the Bank's Country Partnership Strategy (CPS) for Mozambique for 2008–11, discussed by the World Bank's Board of Directors on May 22, 2007. It contributed in particular to its pillar on increasing accountability and public voice, by supporting the formation and operation of district consultative councils and the participatory planning and budgeting processes in which they were involved. It also strengthened district financial management systems, procurement, internal control mechanisms, and external audit capabilities. Finally, it helped to improve government information and communication systems by establishing a rigorous district performance monitoring system, demanding public posting of the annual report of execution of PESODs, and by promoting identification and dissemination of good practices in district administration.

1.2 Original Project Development Objectives and Key Indicators

6. The Project Development Objective (PDO) was to improve the capacity of local government to manage public financial resources for district development in a participatory and transparent manner.

7. The Project Appraisal Document (PAD) specified three key performance indicators:

⁴ Zambézia, Sofala, Tête, and Manica, which had a total of 49 districts.

⁵ UNDP and UNCDF, with support from Ireland, Netherlands, Norway and the Swiss Development Cooperation (SDC), were financing the implementation of the DPFP-Norte in the provinces of Nampula and Cabo Delgado. The German Society for International Development (GIZ) was supporting several district-focused capacity building projects in the provinces of Inhambane, Manica, and Sofala.

- Districts with more than 90 percent budget execution of their district operational plan and budget (PESOD) (number)
- Districts with annual PESOD execution report publicly displayed and discussed by district councils in accordance with guidelines (number)
- Districts that report on district performance in decentralized planning and finance through the district performance monitoring system (SMPD) (number).

8. A table in annex 3 of the PAD provided further information on the project’s monitoring framework, including intermediate outcome indicators, baseline and target values, and sources of information to track progress towards outputs and outcomes.

1.3 Revised PDO and Key Indicators

9. The project’s PDO was not revised. However, shortly after the project was approved, the Bank’s core indicator “direct project beneficiaries (number), percent female” was added as a PDO-level indicator to the results framework. A restructuring approved in January 2014 revised the results framework again: Three of the intermediate level indicators were reworded for clarity to reflect changes in legislation during project implementation. In addition, the baselines for several intermediate results indicators, which had originally been based on a sample of only 32 districts, were revised to reflect more complete information arising from the rollout of the district performance monitoring system. Finally, 2014 targets for eight intermediate results indicators were replaced with 2013 targets to formalize a decision taken during the implementation support mission in August 2011 due to the nine-month delay at the start of the project. No changes were made during the restructuring with respect to the PDO level indicators.

1.4 Main Project Beneficiaries

10. The PAD specified as the primary target beneficiaries the civil servants at provincial and district levels who would gain from opportunities to upgrade skills and improved working conditions. It noted that central government officials from participating ministries and agencies would also benefit from training and technical assistance provided under the project. The PAD noted that the ultimate beneficiaries of the project were the residents of rural communities who would enjoy better access to basic infrastructure and services.

15. Original Components

11. The project comprised seven components: (1) improving national support systems, (2) strengthening participatory planning and budgeting, (3) enhancing management and implementation capacity, (4) strengthening oversight and accountability, (5) knowledge management, (6) effective project management and coordination, (7) activities funded outside of the Common Fund.⁶

⁶ Financing for components 1 to 6 was pooled in a Common Fund that went into a national treasury account (*Conta Unica de Tesouro*) managed by the MPD. The co-financiers that pooled their financing in this Common Fund were IDA, Switzerland, Ireland, and the Netherlands and are also referred to as Common Fund Partners. In contrast, GIZ and UNDP, the Non-Common Fund Partners, financed activities under component 7 through in-kind contributions and cash contributions.

12. **Component 1: Improving national support systems** (US\$3.9 million, of which International Development Association (IDA) US\$3.2 million). This component financed technical assistance at the central and provincial levels to strengthen national systems in support of decentralized planning and finance and the integration of local planning processes into the national planning cycle. It also supported studies and technical assistance to inform the policy dialogue and the development of policy and legal instruments. It assisted with preparation of methodologies, guidelines, manuals, and the system for monitoring and evaluation of district planning and finance processes. Finally, it supported the development of training programs, curricula, and the training of trainers aimed at strengthening the core processes at the district level.

13. **Component 2: Strengthening participatory planning and budgeting** (US\$13.2 million, of which IDA US\$10.4 million). This component financed training and technical assistance to help districts prepare high-quality five-year district strategic development plans (PEDDs) and the annual PESODs and budgets. It financed training and facilitation of the consultative councils to enable them to participate effectively in the district planning and budgeting process.

14. **Component 3: Enhancing management and implementation capacity** (US\$11.6 million, of which IDA US\$9.2 million). This component financed training and technical assistance in core elements of public administration, including financial management, own-source revenue collection, procurement, contract management, compliance with environmental and safeguards, and operations and maintenance. It also supported the implementation of the national system of monitoring and evaluation at the local level. This component further supported the integration of training modules and manuals on preventing and treating HIV/AIDS as part of the district and provincial planning process.

15. **Component 4: Strengthening oversight and accountability** (US\$0.4 million, of which IDA US\$0.3 million). This component financed experts and equipment to enhance the capacity of the provincial inspectorates and the Administrative Tribunal to carry out inspections and audits in provinces and districts. It also supported training and technical assistance to strengthen the internal control system in provinces and districts. Further, it supported the preparation and dissemination of materials to raise awareness of communities of the district plans, financial reports, and audit and inspection findings. Finally, it supported meetings, peer-learning opportunities, and training workshops for representatives of the inspection and audit agencies involved with district audits and accountability.

16. **Component 5: Knowledge management** (US\$0.5 million, of which IDA US\$0.4 million). This component financed technical assistance to identify good practices, to prepare knowledge material, and to disseminate the knowledge through measures such as good practice notes, a website, case studies, use of other ICT options (such as, radio) and peer review mechanisms. The aim was to ensure that the development of national policies and strategies was increasingly based on tried and tested practices and accumulated knowledge at the local level.

17. **Component 6: Effective project management and coordination** (US\$4.8 million, of which IDA US\$3.9 million). This component financed technical assistance to strengthen the capacity of the decentralized planning department within the Ministry of Planning and

Development (MPD).⁷ Since it was a new department, long-term technical advisors were needed to strengthen its capacity to plan and manage the project and effectively monitor and evaluate implementation and results. This component also supported activities to coordinate key sector ministries in their management and participation in the project.

18. **Component 7:** Activities funded outside of the Common Fund (non-IDA US\$8.6 million). This component supports technical assistants to build capacity building in selected provinces for decentralized planning and finance at the provincial and district levels. The activities under this component were intended to be fully integrated into the work program and budget of the NDPFP.

1.6 Revised Components

19. The components were not revised.

1.7 Other Significant Project Changes

20. There were no significant changes in the project's design, scope and scale, implementation arrangements, schedule, or funding allocations, but the Financing Agreement was amended twice. The first amendment of December 21, 2010 allowed the implementing agency six additional months to meet three dated covenants.⁸ The second amendment of July 19, 2012 offered the implementing agency additional time to meet three additional dated covenants.⁹

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design, and Quality at Entry

21. **Soundness of background analysis.** The design of the NDPFP was based on robust background analysis that incorporated lessons learned from the implementation of the DFPF-Centro and two similar district government support initiatives financed by other development partners¹⁰. Strengthening government systems to sustain capacity built under the project was recognized as key by embedding the project implementation unit within the government structure and supporting it by advisors who transferred knowledge and skills to government staff. The project also financed technical experts at provincial level to train provincial and district officials, who in turn trained others, and drew upon government training institutes and sector ministries to provide specialized training in their respective technical areas. In addition, it recruited new graduates with scarce technical skills under Bank-financed contracts while they were undergoing the lengthy vetting process required to become a civil servant, which had proven as an effective

⁷ With the appointment of the new government in January 2015, the former Ministry of Finance and the MPD were merged into the Ministry of Economy and Finance (MEF) that was then the main implementing agency for the project. For ease of readability, this document refers to MPD with the implicit understanding that it also refers to MEF for activities after January 2015.

⁸ The amendment extended the deadline from December 31, 2010, to June 30, 2011, for preparing (a) a district-level infrastructure operations and maintenance strategy, (b) district-level core manuals, and (c) district-level safeguards frameworks.

⁹ The amendment extended the deadline (a) from December 31, 2012 to June 30, 2013 to prepare an evaluation of the application by districts of the Environmental and Social Safeguards Management Framework, (b) from December 31, 2012 to June 30, 2013 to prepare the first study of community participation in the district planning processes and from December 31, 2014 to May 1, 2015 to prepare the second; and (c) from June 30, 2012 to June 30, 2013 to prepare an evaluation of the impact of technical assistance under the project.

¹⁰ The DFPF-Norte in Nampula and Cabo Delgado financed by UNCDF and UNDP with support from Ireland, the Netherlands, Norway, Sweden and the SDC, and PRODER in Inhambane financed by GIZ.

approach to increase district capacity quickly. The project also helped strengthen government systems by providing funding directly to subnational implementing entities based on approved annual work and procurement plans, and involving communities in the annual planning processes to ensure that chosen projects reflected their priorities. It also promoted accountability and transparency by strengthening internal and external audit functions, establishing a robust district performance monitoring system, and supporting the preparation and dissemination of annual progress reports.

22. **Coordination among donors.** Responding to the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, a key element of the project design was the integration of all development partner-funded initiatives to support decentralization into a single national program, underpinned by a memorandum of understanding (MOU) between the partners and the government that laid out the roles and responsibilities of each party. The Bank's previous experience in working in partnership with other development partners was key to establish an adequate coordination framework. However, it should also be noted that harmonizing the agendas of multiple donors required considerable time. Reaching agreement on the MOU took nearly two years, which prolonged project preparation.

23. **Lack of indicators to measure outcomes of participatory process.** A key element of the preceding DFPF-Centro was the provision of grants to districts for the implementation of small rural infrastructure investments that were consistent with specified criteria and included in approved district development plans. This design feature allowed to assess whether projects funded were the priorities of the communities as identified through the participatory planning process, were executed efficiently and effectively, and were delivering the intended services. The same approach was initially also under discussion for the NDPFP but ultimately discarded due to a shift in policy regarding intergovernmental transfers.¹¹ While this decision was valid at the time, it would still have been important to include in the project design tools or indicators to assess the outcomes of the participatory planning process and public financial management systems that the project strengthened. The disconnect between the participatory planning process and its effectiveness to improve local service delivery could have been remediated by monitoring the use of public infrastructure investments funds transferred to districts, conducting beneficiary surveys or more in-depth reviews of annual reports from the districts.

24. **Usefulness of dated covenants.** The Financing Agreement (FA) included ten dated covenants intended to ensure that the project met its objectives. Some of the covenants were useful, but many were not. The studies included as covenants could have been included in the project's annual work plan and procurement plan, which would have provided for greater flexibility in their execution. The deadlines for nearly all the studies were ultimately extended through amendments to the FA. A covenant relating to incorporation Bank-financed technical assistants into the civil services payroll was not enforceable as written, as the district governments are not required to incorporate consultants who are not a good fit. Instead of a covenant, the Bank could have stated

¹¹ During project preparation, the Government was reforming its policy for budget transfers to districts shifting from a focus on public infrastructure investments to an emphasis on providing lines of credit for private investments managed by districts to support income-generating activities. The latter would have been more difficult to monitor and potentially more vulnerable to misuse.

it would finance such contracts for only two years, and encouraged their incorporating in the civil service payroll through dialogue.

25. **Assessment of risks.** The document generally foresaw the risks that the project would face and identified adequate mitigation measures, although it includes two risks the realization of which were not tracked under the project, so there is no way to know whether the mitigation measures specified in the PAD were effective. These were (a) corruption at the local level increases with the provision of funds for income generating activities, and (b) the timeframe is too short to see comprehensive improvement in planning and budgeting, especially for operations and maintenance, at the local level. Both risks were judged high before mitigation but moderate afterwards.

26. In summary, the design was moderately appropriate to meet the project's objectives.

2.2 Implementation

27. **Role of Administrative Tribunal.** The involvement of the Administrative Tribunal (AT) in approving contracts contributed to an initial delay of project implementation by 15 months. Despite an agreement that Bank procurement guidelines apply (captured in both the FA and the MOU) and an exemption provided by the Ministry of Finance in September 2010, the AT insisted that the procurement under the Common Fund must adhere to the government's regulations, which require all proposed contracts to be submitted to the AT for review and approval prior to signing ("*visto*"). The Bank and other Common Fund partners worked with MPD to resolve the issue. However, it was not until January 2012 that the first contracts with the technical advisors for the project were signed after having received the AT approval; and it took another year until the approvals for all 59 contracts were obtained after several rounds of resubmission of documentation to the AT. While technical advisors with contracts in provinces under Non-Common Fund partners had been able to work from the start of the project, implementation of the full project only started in earnest with the approval of the last contracts in early 2013, almost halfway through its implementation period.¹²

28. **Use of country financial management systems.** While the use of Mozambique's own financial management systems under the project was important to strengthen government systems, it also contributed to delays in implementation. Delays in the initial inscription of the project in the government's electronic budgeting system e-SISTAFE meant that payments from the project account could not be made until May 2011, 10 months after effectiveness. This delayed procurement of consultants to undertake various studies, which led to the request of the MPD to amend the FA to extend the due dates of several of the studies (legal covenants). A similar delay occurred the following year, and payments could not be made until April 2012. The partners proposed several measures to eliminate the delays and ensure program harmonization with the state planning and budget cycle. These included: (a) using the same data for the e-SISTAFE programming and execution modules, and (b) advancing the presentation of the draft annual work plan and budget to the third quarter of the year, from the fourth quarter. By late 2012, the issue had been resolved, and the annual work plans and budgets for 2013 had been loaded into the e-SISTAFE on time, making funds available by mid-January 2013. Another challenge related to the

¹² These were Inhambane, Manica, and Sofala (under GIZ) and Nampula, Cabo Delgado, and Gaza (under UNDP).

use of e-SISTAFE were temporary liquidity problems at the district level throughout implementation, in particular in those districts where e-SISTAFE only became fully operational during the course of the project.

29. **Government ownership.** A critical factor that helped to resolve issues and keep implementation on track was the MPD's strong ownership of the project. As noted above, the ministry led in the efforts to find solutions to the challenges presented by the requirements that the AT approve all contracts. The MPD also assigned experienced and well-qualified staff to the Directorate of National Planning, including its head and specialists in procurement, financial management, engineering, and monitoring and evaluation, who were responsible for project implementation. The head of the Directorate sought and implemented advice on ways to improve its overall performance.

30. **Technical advisers.** Another important factor that assisted implementation was the experienced team of technical advisors that supported the Directorate of National Planning in coordinating the project and helped build capacity at all levels of government. They included many of the people who had already supported the DFPF-Centro, DFPF-Norte, and PRODER. Despite the initial delays in contracting, and the uncertainty that this had provided, they remained with the project until its conclusion. On the other hand, the project faced difficulties in identifying qualified staff to fill key advisory positions at the provincial level, particularly experts in district finances. Contracts under the Common Fund for advisors to work in the provinces of Niassa, Tête, Zambezia, and Maputo were filled in January 2012. Positions for district finance experts in some other provinces were never filled.

31. **Donor coordination.** The NDPFP partners' working group was critical in bringing all partners together in support of the national program. During implementation, it was coordinated by several development partners (first the Netherlands, then the World Bank, Ireland, and finally the GIZ) who were in charge of organizing regular NDPFP partners meetings to ensure that all Common Fund and non-Common Fund partners effectively communicated and coordinated with each other. The coordinating development partner also assumed the leading role in officially communicating NDPFP related issues with the government. The Bank took the lead in organizing the implementation support missions and tracking progress in aide memoires throughout implementation.

32. **Midterm Review.** The midterm review, which took place in September 2013, a year later than initially planned due to the start-up challenges of the project, was thorough and proposed some actions to improve implementation performance. It was enriched by three studies associated with dated covenants: (a) an evaluation of the impact of technical assistance provided by the project, (b) a study of the measures taken by district governments to ensure community participation in the planning process, and (c) an evaluation of the implementation of the Environmental and Social Management Framework (ESMF). It was further informed by two program assessments prepared by the Directorate of National Planning and an independent consultant firm. The midterm review confirmed the overall relevance of the project, its objectives and key performance indicators, design, activities, budget, and project management arrangements. It recommended that the government should hire a senior technical advisor for community participation to build the capacity of the provinces and districts to facilitate engagement of communities in planning and oversight. It also noted a need for the technical advisors to more effectively transfer knowledge

and skills to government staff, and to include this aspect in their evaluations. Further, it advised the implementing agencies to prepare sustainability/transition plans laying out how they will take over the responsibilities and tasks then being handled by the technical assistants.

2.3 Monitoring and Evaluation

33. **Design.** The results framework was complete, with PDO and intermediate results indicators covering the core areas of district administration that the project supported, and with baseline and target values. All participating government entities, the Bank, and development partners reviewed and finalized the results framework during a workshop held in June 2009, which ensured that it reflected outcomes and outputs that all stakeholders were committed to achieving. The three original PDO outcome indicators were designed to allow assessment of the improvement in district capacity to manage public resources for district development in a participatory and transparent manner. However, the omission of any indicators on the execution of infrastructure projects included in the PESOD or on beneficiary satisfaction more broadly made it impossible to know if projects that were implemented reflect the priorities of the communities, were executed efficiently and effectively, are being operated and maintained, and are delivering the intended services. The PDO indicator “number of districts that execute at least 90 percent of their budget” does not provide this information, because much of the budget is provided to groups for income-generating activities, staff salaries, and operating costs.

34. Most of the intermediate outcome indicators were appropriate for tracking improvements in district capacity, but some were poorly specified and did not permit full assessment of achievements. For example, the indicator on the “annual increase of at least 10 percent in local revenue collection” measures the increase over the previous year only. A cumulative indicator would have allowed the observation of overall trends in revenue mobilization by districts over the five-year implementation period of the project. This indicator could have been revised during the MTR, but was not. Another example of an indicator with limited value is the one on the “number of districts that inform their local consultative councils about the results of internal and external control exercises”. Although this is considered best practice, there is no legal mandate for districts to publish audit results and incentives for districts to do so are lacking. Finally, the use of indicators to measure compliance (yes/no) limits the possibility of analyzing any significant achievements and trends at district level over time.

35. Following the midterm review, the baselines and targets for some outcome indicators were revised. Baselines in the results framework of the PAD reflected information from a sample of 33 districts and were revised to reflect more complete data collected through the District Development Monitoring System (SMoDD) during its rollout. In addition, most targets originally intended for 2013 were shifted to 2014 due to the delay in project start-up. Three intermediate outcome indicators were reworded for clarity. These changes were formalized through a level 2 restructuring approved on January 14, 2014.

36. **Implementation.** Tracking of most indicators was to be done through the SMoDD that was being rolled out under the project. Data during the early years of implementation hence came from a subset of districts, which were taken as representative. It was only by 2013 when the SMoDD was rolled out to all 128 districts that good quality and comparable data were collected and reported in annual monitoring reports. The establishment and use of the SMoDD in all districts

is one of the project's most notable achievements. Districts are required to use the SMOdd to report on performance in the full range of areas related to district administration (such as budgets and expenditures), economic activity (agricultural output, number of new business licenses approved), services (including health and education), and infrastructure development (construction of housing and water points). Districts were generally reporting on their performance through the SMOdd, using appropriate data collection methods to ensure comparability across districts. The data from the SMOdd are used to generate the districts' annual reports on the execution of their PESODs. Without such a system, collecting adequate quality information across 128 districts covering the entire country would not have been possible. Information on issues not covered in the SMOdd, such as the number of external audits carried out on district financial reports and the gross number of participants in training, came directly from the institutions providing the service. The Bank team reported on the development of the SMOdd and on the value of the indicators in each aide memoire, noting progress and continuing challenges.

37. **Utilization.** The national government and the provinces use the information in PESOD execution reports to understand which districts are doing well and which need additional support. Indeed, the president uses the information from the SMOdd when he travels to districts. The development partners and the program's supervisory committee—comprising representatives of the Ministry of Finance, Ministry of State Administration, Ministry of Public Works and Housing, Ministry of Environment, and Ministry of Public Service, the AT, as well as provincial and district governments—met three times a year to review the program's implementation progress and results and to agree on the plans for the next year's activities. One of these meetings focused on the mid-year progress report, one on the annual report, and one on the program's audit report and mid-year financial report. Participants received the reports at least ten working days prior to the meeting to allow them to identify issues for discussion and action. District administrations provided both the provincial administrations and their consultative councils with their annual reports for review and discussion. Both provide feedback on performance and proposed measures for improvement in the coming year.

2.4 *Safeguards and Fiduciary Compliance*

38. The project was classified appropriately as safeguards category C and did not trigger any of the Bank's safeguard policies, as it did not finance any infrastructure works. However, legal covenants required the government to: (a) update the ESMF and the resettlement policy framework prepared for the DPFP-Centro to ensure that investments made with district budgets were carried out in an environmentally and socially sound manner, and (b) assess the extent to which the districts effectively used the frameworks when undertaking infrastructure investments. The Ministry of Environment led the work updating the frameworks (completed by June 30, 2011) and encouraging the districts to adopt them. It also provided training to key district staff. The assessment prepared for discussion during the midterm review showed that most district works are very small and unlikely to result in environmental damage. However, the study also found that district administrations have limited knowledge of the relevant regulations and frameworks, and little capacity to implement them with technical rigor. Building capacity in this area requires focused attention in the future.

39. Implementing agencies generally complied with the Bank's fiduciary policies. The project was one of the first stand-alone Bank-financed projects in Mozambique to pioneer the full use of the country's financial management systems, particularly the government's budgeting, single treasury account, civil servants, the government's integrated financial management information system, e-SISTAFE, and the supreme audit institution, the AT. Audited interim financial reports were submitted on time and were of satisfactory quality. Although the first audit report for the project was submitted nearly two months after the deadline of June 30, the audits for the subsequent years were submitted on time. However, the audit reports identified some ineligible expenditures, which were reimbursed. The issues included: (a) payments without complete supporting documents (for example, invoices and trip reports), (b) payment of fees to personnel whose contracts had not been approved by the AT, and (c) payment of travel expenses and per diems without adequate evidence of attendance at workshops (lists of participants). Financial management was rated moderately satisfactory during most of project implementation, including at closing.

40. The MPD was responsible for procuring the major consultancies and goods under the project. It generally complied with the Bank's procurement procedures, although with some delays in the early years of implementation due to the involvement of the AT in reviewing and approving contracts. Procurement was rated moderately satisfactory during the first three years of implementation. The rating was raised to satisfactory in the July 2013 implementation status report, reflecting the satisfactory findings of a post-procurement review. Nearly all planned contracts had been procured by the time of the midterm review, and procurement was rated satisfactory for the rest of the project life.

2.5 Post-completion Operation and Next Phase

41. The Ministry of Economy and Finance (MEF)¹³, the Bank and other development partners only started discussions regarding a possible follow-on project in early 2015 and NDPFP closed without a phase-out strategy, raising serious concerns about how the technical assistance to the districts will continue in the short term. In the absence of a clearly defined common strategy at closing, some development partners decided to continue providing support bilaterally. Both UNDP and GIZ will continue to finance the contracts of the technical advisors in the provinces for which they have provided long-term support. UNDP is also financing a knowledge management advisor based at the MEF. GIZ is implementing a technical cooperation program to strengthen financial management capacities of districts and municipalities in the provinces for which they have been providing long-term support. In addition to the advisors in the provinces, the program includes advisors at the national level in the Ministry of Public Works, AT, the Ministry of State Administration and Civil Service (MAEFP), and for internal control institutions.

42. In the medium-term, the MEF aims to bring together donor efforts to support a new national program that would work with provinces, districts, and municipalities. According to the concept note that the MEF has started to prepare the future program would focus on: (a) broadening the SMODD by including indicators that cover all government programs at the district level; (b) fostering greater integration of local plans and budgets (PEDDs and PESODs); and (c) enhancing

¹³ With the appointment of the new government in January 2015, the former Ministry of Finance and MPD were merged into MEF that was the implementing agency from then on.

own source revenues and strengthening of internal control functions. At the central level, policy areas and priorities for the period of 2016–2020 envisage overall implementation support of the National Decentralization Strategy.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Overall rating: Moderately Satisfactory

43. **Objectives.** The objectives of the NDPFP were and remain relevant. They reflect the importance of institutional strengthening, capacity building, and systems development at the district, provincial, and central levels to effectively deliver services and infrastructure to widely dispersed rural populations and support districts to serve as growth poles. The NDPFP promoted accountability and public participation at government’s lowest levels through support for the establishment and operation of district consultative councils (which comprise representatives of the administrative posts, localities, and local forums) and through assistance for improved planning and budgeting, internal and external control, fiduciary management, contract management, and monitoring and evaluation at all levels of government. Building on achievements and lessons learnt from predecessor projects, it also supported the better integration of district planning and budgeting into the national systems and the scaling-up, institutionalization, and mainstreaming of best practices. The objectives of NDPFP were consistent with those of Mozambique’s PARPA I (2001–05), PARPA II (2006–09), and PARPA III (2011–14), all of which aimed to reduce poverty by increasing provision of basic infrastructure and services in rural areas, and increasing the transparency, accountability, and quality of public sector planning and execution to ensure that the resulting investment choices responded to local preferences and that they were implemented efficiently. The objectives of NDPFP also remain relevant for the strategic priorities set out in the Government’s new five-year plan (*Plano Quinquenal do Governo*) for 2015–2019 that replaced the PARPA as the main poverty strategy document. The project remained a key aspect of the Bank’s CPS for 2012–15. By helping to improve the capacity of district governments to carry out their mandates, it specifically contributed to the CPS pillar on governance and public sector capacity building.

44. **Design.** The design remains moderately relevant. The NDPFP was the first country-wide approach to systematically support district capacity using country systems and also successfully brought together several development partners under a common funding mechanism. Responding to the country’s incipient decentralization and limited responsibilities of deconcentrated entities, the project focused on strengthening provincial and district governments to fulfill their mandates in relation to core functions in public financial management, participatory planning, and transparency. However, the relevance of the design to build capacity and bring about institutional change could have been improved by more closely linking the technical assistance to the investment funds transferred to districts from the central government. This or the inclusion of other tools, such as beneficiary surveys, would also have allowed to assess whether: (a) the infrastructure projects undertaken by districts were in line with community priorities, (b) contracts were procured in accordance with government regulations, (c) works were executed efficiently and in compliance

with the government's safeguard policies, and (d) works are being operated, maintained, and delivering services.

45. Other aspects of the design remain appropriate to build capacity of provincial and district governments to manage public financial resources for district development in a participatory and transparent manner. This experience showed the importance of: (a) working through and strengthening country systems, rather than creating parallel structures for project implementation; (b) bringing all development partners together in support of a national program, (c) using a variety of approaches to build capacity (technical assistance to provide hands-on guidance in specific areas, training, and provision of office equipment and vehicles); and (d) maintaining a focus on community participation.

46. **Implementation.** Implementation arrangements were relevant. Implementation largely took place through country and local government systems. The MPD (later MEF) continued in its role as the main project-implementing agency, which smoothed implementation. Despite adding to the complexity of the project, the inclusion of various line ministries, the AT, and the provinces as implementing agencies was necessary to ensure that they are able to play their roles in supporting districts. The supervisory and coordination arrangements were appropriate. The supervisory committee, which was responsible for the overall strategic direction of the project and its oversight, comprised representatives of all the implementing agencies, including the ministries of finance, state administration, public works and housing, environment, public service, and the AT, as well as the provincial and district governments. It met with the development partners three times a year to review implementation progress and achievement of results, and to discuss and agree on the activities for the coming year. A technical group, comprising technical officers from the implementing agencies provided technical input on policy and methodological issues, work plans, budgets, progress reports, and the like. A partners' group, comprising all development partners supporting the NDPFP, met four times a year to review project implementation progress, discuss challenges and possible solutions to them, propose topics for discussion at the supervisory committee meetings, and ensure overall harmonization of partners' approaches and positions.

47. Implementation arrangements at the provincial and district levels were also relevant. In each province, the provincial directors of planning and finance were responsible for day-to-day management of the project. This was appropriate, given their role as coordinators of line ministry activities in the province. District administrators were responsible for implementation of activities at district level, under the guidance of the provincial directors. Provincial supervisory committees (CdSP), with membership mirroring that of the central supervisory committee, was responsible for providing oversight of implementation at the provincial level, reviewing progress of districts towards results, and endorsing district's project related annual work plans and budgets. However, performance of the CdSP varied across provinces with different degrees of ownership to support the program. Provincial technical teams comprised technical staff of the implementing agencies participating in the project at the provincial level, and had responsibilities similar to those of the central technical teams. Arrangements for coordinating activities between provincial and district levels worked reasonably well. The project financed advisors attached to the provincial project coordinating units to support districts in financial management, works supervision, participatory planning, management of training, and monitoring and evaluation.

3.2 Achievement of Project Development Objectives

Rating: Moderately Satisfactory

48. Overall, the NDPFP achieved its objective to improve the capacity of local government to manage public financial resources for district development in a participatory and transparent manner. In many areas, the project achieved or over-achieved what it set out to do, and, in general, districts across the country are now more capable of participatory planning and budgeting, financial management, procurement, and monitoring and reporting than they were prior to the start of the project. By the end of the project, all districts were using the computerized SMOOD to report on achievements across a range of areas, including progress in executing their PESODs. Some 116 districts were making available to the public their annual PESOD execution reports and presenting the highlights to meetings of the consultative councils for discussion. A slightly smaller number of districts, 110, were executing 90 percent of their budgets, up from 85 districts at baseline. The project also contributed to better compliance with the regulations on financial management at district level more broadly. In addition, over 27,200 local government staff and 39,000 members of consultative councils benefited from training provided under the project, enhancing skills in core areas of district administration; and 515 school graduates were integrated in the local government civil service. The promotion of community participation in planning and budgeting and oversight was another key achievement of the project. According to the project's review of participation, citizen engagement improved substantially under the project. In newly participating districts, formal approaches to citizen engagement were undertaken for the first time. These included organizing councils at three levels of administration that included diverse stakeholders (youth, seniors, women, disabled) and convening two meetings a year, one to agree on priority investments and another to review execution of the previous year's plans. Districts that had participated in the preceding DFPF-Centro, DFPF-Norte and PRODER further strengthened and institutionalized these processes.

49. All the PDO outcome targets and most of the intermediate results were achieved. Specifically:

- **Some 110 districts (100 percent of target) out of 128 districts¹⁴ executed more than 90 percent of the budget presented in their PESODs.** This is a meaningful improvement from the baseline value of 85 and meets the end of project target. A total of 119 districts executed at least 80 percent of their budget and 122 executed at least 70 percent. The districts receive funds from the central government and from line ministries, much of which are earmarked for specific activities and for salaries of staff based in districts. The districts' funds and expenditures are recorded in the e-SISTAFE, so performance in executing the budget is carefully tracked.
- **Some 116 districts (101 percent of target) out of 128 districts prepared an annual PESOD execution report, made it available to the public, and presented the report to the district councils in accordance with the guidelines.** This is up from zero at the start of the start of the project and is slightly greater than the target of 115. The PESOD execution report is comprehensive, covering all activities undertaken in the district during the year,

¹⁴ At project appraisal Mozambique had 128 districts, but in 2013 22 new districts were created.

including health and education services, agricultural production, business activity, construction of housing, district infrastructure, and others. It provides a very useful assessment of districts achievements and challenges faced.

- **All 128 districts (100 percent of target) covered by the project reported on district performance in decentralized planning and finance through the district performance monitoring system (previously known as SMPD, now called SMODD).** This is up from zero at the start of the project and matches the target. The establishment and operation of the SMODD is one of the most significant achievements of the project, and a model that can be replicated in other countries. The SMODD has allowed the government for the first time to track the performance of all districts across a range of areas. Districts for the first time can see how they are performing in comparison with others. They can learn from those performing better than themselves in some areas, while teaching those that are lagging.
- **Some 27,223 (262 percent of target) local government staff participated in training workshops provided under the project.** This is much higher than the target of 10,368 staff (30 percent female) that was anticipated when this indicator was added to the results framework in December 2010 to meet the Bank's requirement that all projects track the number of beneficiaries. In addition, some 39,000 people from district consultative councils participated in training provided under the project. However, the project's monitoring system does not allow for the tracking of unique individuals undergoing training (the core indicator is meant to count people only once, regardless of the number of ways they have benefited), and some staff probably benefited from more than one training opportunity. Therefore the actual number of unique individuals benefiting from training is certainly less than 27,233, but still likely to be well above the target. The project's monitoring system did not report on the proportion of people participating in the training were female.

50. The intermediate results are as follows:

Intermediate result 1: Improving national support systems

- **All 128 districts received all final and all available updated district process dossiers and implementation manuals.** The dossiers include various guidelines for the preparation of integrated plans and budgets for the district as a whole covering all sectors (including guidelines for community participation and consultation in district planning). The MPD had finalized most guidelines prior to project appraisal and sent the final dossiers to the provinces in 2010, which in turn distributed them to the districts. Data are lacking on when exactly the districts received these, but they are likely to have received them early in project implementation.
- **The district performance monitoring system, SMODD for decentralized planning and finance was developed and rolled out to all 128 districts.** This indicator measured the extent to which the system had been implemented in districts.
- **Some 463 provincial trainers in relevant areas of NDPFP were recognized by the pertinent ministries by the end of the project.** This is four times the revised target of 100

(and eight times the original target of 50). The original project design envisaged that that government training institutes for the public administration would train and accredit trainers. However, this approach proved challenging and the government decided instead to draw on the project-financed technical assistants to train trainers in the five core areas of district administration—community participation, strategic development planning, operational planning and budgeting, implementation management (including financial management, procurement, and public works), and internal/external control of district processes—and to seek their certification through the ministry or agency responsible for training in specific areas (for example, a person developing a competency in implementation of public works would receive certification from the Ministry of Public Works).

Intermediate result 2: Strengthening participatory planning and budgeting

- **Some 110 districts received approval in 2015 for their operational plan (PESOD) and disseminated it in accordance with (selected criteria) in established planning guidelines.** According to selected criteria, the PESODS must be (a) posted on a public noticeboard at three levels of local government (district headquarters, administrative posts, and localities), which was later changed to dissemination through the SMODD; (ii) discussed with the consultative councils at the three levels of local government; and (iii) disseminated through radio, television, and other means. The achievement of 110 districts is well above the baseline of 28 (which was revised when data became available mid-way through the project implementation period), but slightly below the target of 114. In 2014, 126 districts approved PESODs; 119 disseminated them through the SMODD; 121 discussed them in participatory meetings with their consultative councils; 116 disseminated them through radio, television or other media; but only 110 met all three criteria.
- **Only 43 district councils in 2015 operated in accordance with (selected criteria) in current legislation.** According to the selected criteria, (a) consultative councils must exist at the district and the sub-district levels (administrative post and locality), (b) all must meet at least twice a year at all levels, and (c) at least 30 percent of the members must be female. While the achieved result is below the target of 78, it is a substantial improvement compared to the baseline of 7¹⁵ and an additional 61 districts councils complied with two of the three criteria, meaning that a total of 104 districts councils met all or most of the criteria. Moreover, many councils have 25–29 percent female members. Overall, 29 percent of the members of all district councils in 2013 were female, according the data presented in the semi-annual project progress reports. However, the project’s monitoring system does not report on these subtleties. More disaggregated information would better reveal improvements in performance than the current indicator.

Intermediate result 3: Enhancing management and implementation capacity

- **Some 91 districts closed their financial processes in e-SISTAFE for the 2014 financial year.** This is much higher than the baseline of 50 but below the target of 128. Although 115 districts closed their financial processes at the end of the financial year (which ends December 31), some districts did not enter the required information into the e-SISTAFE

¹⁵ The baselines and targets were revised following the MTR.

system until after the deadline of January 15, 2015. However, entering the data into the system and obtaining approval is a requirement to receive the following year's budget, creating a strong incentive to comply.

- **About 63 percent of procurement contracts for public works planned by the districts in 2014 received either prior approval or post approval from the AT.** Some 1,595 public works contracts valued up to 175,000 meticaïs were prepared, 1,260 were sent for prior review, and 1,006 were approved. This is well above the baseline of 13 percent, and above the target of 50 percent. Improving performance in this area over time shows that the districts are enhancing their capacity to comply with the government's procurement regulations.
- **Some 515 local government technical staff strengthening the intervention areas of the program have been integrated in civil service personnel system and payroll.** This is greatly above the baseline of 98 and ahead of the target of 444. Bringing so many school graduates into the district civil service has greatly strengthened district's capacity in core areas of administration, including financial management, procurement and public works management, and participatory planning and budgeting. It is one of the project's major achievements.
- **Only 33 districts in 2014 increased their own-source revenue by 10 percent over the 2013 level, as registered in e-SISTAFE.** This is below the revised baseline of 65 and the target of 85. A key challenge with this indicator is that it only shows how districts performed compared to the previous year, rather than showing trends in improving own-source revenue over time. In 2013, 59 districts vis-à-vis target of 75 managed to increase their own-source revenue by 10 percent. In addition, the target was not based on an in-depth analysis of district's potential to collect own-source revenues. The Bank team noted the challenges with this indicator early during project implementation, but did not revise it during the MTR.

Intermediate result 4: Strengthening oversight and accountability

- **Some 75 districts in 2014 submitted their annual financial statements to the Administrative Tribunal by the deadline specified in current legislation¹⁶.** This is far above the baseline of seven. Although it is below the target of 110, it is none-the-less a remarkable achievement. In 2015, of 128 districts, 118 had prepared their 2013 financial statements, but only 75 had sent them to the AT within the deadline of March 31, 2014. A total of 99 had sent them by July 1, 2014. All had submitted them by March 31, 2015, one year after the deadline.
- **The AT audited the 2013 financial accounts of some 42 districts.** This is well above the baseline of 17 and above the end of project target of 39. The project supported the AT with an advisor and with funds to enable it to increase its capacity to undertake audits. These funds were mainly used for training, revision of the legislation related to external control, and revision of operation manuals with mandatory guidelines for district administrations.

¹⁶ Funds to districts are not released until they submit their financial statement to the AT.

- **Only 27 districts informed their local consultative councils about the results of the 2013 internal and external control findings.** This is below the 2010 achievement of 29 and far below the end of project target of 110. This target was difficult to achieve due to lack of a legal mandate for districts to publish the audit results and inform the local consultative councils of their findings. Although considered a good practice (and documented as a best practice of the NDPFP), there is no legal requirement that districts do this, and districts, especially those without clean audit reports, may not want to disclose information. The Bank team noted the issue in the implementation status report of July 2013, and proposed reviewing the target during the MTR. However, no specific action was taken regarding this indicator during the revision of the results framework that followed the MTR.¹⁷ In addition, it should be noted that the target of 110 for this indicator seems unreasonable as it significantly exceeds the target for audit reports prepared by the AT (see previous indicator). Of the 42 audit reports assessing the 2013 district financial reports, 27 were shared with local consultative councils.

Intermediate result 5: Knowledge management

- **By the end of the project, the NDPFP webpage in the government (initially MPD, later MEF) portal had been updated with 12 best practices and the summary district performance reports.** This matches the target of 12. However, progress in this area was slower than expected and best practices were entered into the webpage only in 2013.
- **By early 2015, 126 districts were using at least three established best practices in decentralized planning and finance.** This is above the target of 100. Districts report their use of best practices through a questionnaire, and provinces confirm the claims.
- **By the end of the project, 12 best practices had been identified and disseminated.** This matches the target. In addition to dissemination through the website, a glossy publication was prepared with the best practices and launched at provincial level workshops. All districts now have a district planning library containing all relevant program documents and available for public consultation. The fifth program bulletin was issued in September 2014.¹⁸

Intermediate result 6: Effective project management and coordination

- **All five consolidated project annual work plan and budget and monitoring reports were presented on time.** This matches the target. The team at MPD was responsible for preparing and submitting these documents and did so effectively throughout the project life.

51. As part of the results chain, the project supported a large number of outputs in four broad areas: participation, fiduciary management, and other core district administrative functions. The full list of outputs is presented in annex 2.

¹⁷ As with other intermediate results indicators the target for 2014 for this indicator was replaced with the previous 2013 target, but no further adjustments were made to address the challenges related to this indicator.

¹⁸ See <http://www.pnpfd.gov.mz/index.php/component/jdownloads/finish/8-boletim-informativo/92-boletim-informativo-n5?Itemid=180>.

- **Participation.** Guidelines for the the preparation of development plans, and assessments of the robustness of the participatory system.
- **Transparency.** Guidelines and templates for districts for the publication of information related to their annual investment plans, budgets, execution, contracts and audits. Development and operationalizing the SMODD in 128 districts.
- **Fiduciary.** Guidelines for forecasting and enrolment of district budgets within the general state budget, for procurement procedures for goods and services, and for management of property. Training manuals for processing revenues and expenditures, for conducting basic internal audits, and for conducting audits based on risk.
- **Other core district administrative functions.** Training manuals for provision of district services, for the operation and maintenance of public buildings, and for supervision of construction; assessments of compliance with environmental and social safeguards; training for district staff in all areas of core administrative functions; vehicles and office equipment, both of which are essential to permit the districts to deliver on their mandates; and publication and dissemination of 12 good practices.

3.3 Efficiency

Rating: Moderately Satisfactory

52. The PAD did not estimate economic or financial analyses against which the project efficiency could be measured at closing. Efficiency can therefore only be inferred in textual terms considering expected impacts of project activities and the administrative efficiency (procurement and financial management processes) with which it was implemented. The following evidence points to moderate efficiency of the project.

53. The project improved participatory planning and budgeting processes as well as transparency in all of Mozambique's 128 districts that existed at the start of the project to ensure that investments presented in the district strategic and operational plans reflected the priorities of communities.¹⁹ It was also key in establishing the web-based district performance monitoring system SMODD that is now operational across the entire country and used to monitor results under the National Development Plan. The project is also likely to have strengthened local governments to obtain adequate value for money by improving their procurement processes. Procurement at the project level was through international or national competitive bidding procedures or shopping to ensure value for money in procuring goods. Consultant services were procured through quality and cost based procedures, with single sourcing used to procure services of consultants who had already worked at the MPD and whose skills had been proven. Most procurement at local government level was carried out in accordance with government regulations, with nearly 80 percent of contracts presented to the AT for prior review, of which 63 percent were approved. Transparency and accountability were assured through making available to the public the PESODs and the annual reports on their execution. Moreover, governments at all levels maintain complaints handling mechanisms to allow citizens to bring suspected cases of fraud and corruption to the attention of the authorities. However, there were considerable delays at the start of project

¹⁹ 22 additional districts were created in 2013 when the project was under implementation.

implementation due to the use of country systems. As a result, following the MTR, targets for some indicators were revised downwards, so that the 2014 targets were replaced with the former 2013 targets. With no corresponding reductions in the overall project budget, this would imply a reduction in the project's efficiency relative to the original plans. However, the project ultimately achieved many of the original 2014 targets and overall project benefits seem to justify the project costs, yielding a rating of moderate efficiency for the project.

3.4 Justification of Overall Outcome Rating

Rating: Moderately Satisfactory

54. Achievement of the objectives of the NDPFP is rated moderately satisfactory overall. The three elements that contribute to the overall outcome rating – (a) relevance of objectives, design, and implementation, (b) achievement of the development objectives, and (c) efficiency – are all rated moderately satisfactory. This justifies an overall outcome rating of moderately satisfactory for the operation.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

55. The NDPFP supported citizen engagement and voice in several ways. First, it financed experts in community participation at the central and provincial levels, who helped in mobilizing women and traditionally disadvantaged groups to participate in consultative councils. The project also financed training for members of the consultative councils to inform them of the regulations requiring 30 percent female representation and other matters. The project's measures to promote broad citizen participation in selecting projects and in overseeing their implementation is likely to be increasing the transparency and accountability of the use of public resources, and of promoting social development more broadly.

(b) Institutional Change/Strengthening

56. The project supported key institutional reforms intended to increase the capacity of the local governments to manage public financial resources for district development in a participatory and transparent manner. Specifically, through development of guidelines, templates, best practices, mentoring, and training, it supported improvements at the district and provincial levels in the areas of participatory planning and budgeting. Thus by its conclusion, the great majority of districts were able to prepare comprehensive district investment and operational plans in a participatory manner and execute them largely in accordance with intentions. The project promoted transparency by tracking compliance with government regulations to make publicly available all operational plans and annual reports of their execution, and by establishing a computerized district performance monitoring system that all districts are required to use in reporting on progress in all areas of district development. It helped to strengthen public financial management by supporting the rolling out and making operational the e-SISTAFE system across all 128 districts, by building capacity of the internal and external audit offices, and by helping districts comply with Mozambique's procurement regulations. It further strengthened institutions by developing manuals and providing training on management of public works, including

compliance of social and environmental safeguards. These reforms are likely to be resulting in improved infrastructure and services for residents and businesses of the districts.

(c) Other Unintended Outcomes and Impacts (positive and negative):

57. The project did not result in any significant unintended consequences.

4. Assessment of Risk to Development Outcome

Rating: Moderate.

58. The risk to development outcomes is rated Moderate. Since the project supported strengthening of the existing government structure, the benefits of much of the capacity building support are likely to be sustained. This includes in particular the increases in capacity for financial management, with all districts now having the equipment and staff to record their budgets and expenditures in the e-SISTAFE in according with government regulations. Despite some staff turnover, most of the staff recruited, trained, and mentored under the project in budgeting, participatory planning, public works management, and monitoring and evaluation are likely to remain for some time in the district administrations, as they have been appointed to the civil service. The measures to increase transparency are likely to be sustained, as the planning regulations require districts to organize participatory forums and to publicly disclose planning documents and their annual execution reports.²⁰ Knowledge in many areas is likely to be sustained through UNDP's ongoing support for creation of knowledge centers in provinces. All districts have a planning library that is made up of relevant documents and available for public consultation. At the central level, the program website was revitalized and adapted to a more user-friendly design and features core documents as well the five editions of the program's bulletin. In addition, the Government will maintain the web-based District Performance Monitoring System (SMoDD) housed at the MAEFP, whose establishment in all districts across the country was one of the project's major achievement. The SMoDD is expected to continue generating information required to monitor implementation and results of Mozambique's new National Development Plan as well as in assessing performance of the general budget support operations. At the time of the last ICR mission, MAEFP was still in the process of finalizing the budget to ensure proper operation of the SMoDD in the future and the latest national report from the SMoDD was not yet available, but the continued use of the system enjoys the backing of the president and other key officials of the government.

59. The Government did not have a mature plan for phasing out the technical assistance of NPDPF at project closing, but expressed commitment to continue providing support to districts in the future and has started preparing a concept note for a follow-up national program. Yet, in the meantime, the provincial and district governments may have to allocate funds from their own budget to support some activities for participatory planning that the project previously supported, such as funding for the travel and living expenses for members of the consultative counsels. While the district administrators interviewed said that they would support the consultative councils at the headquarters level, they expressed doubt that they could support the process at the lower levels. Resources for technical assistance and training in the core areas of district administration must

²⁰ The DPFP-Cento supported the development of the planning regulations.

come from the overall government budget. The district administrations have much more qualified staff now than at the start of the project (due both to the training and to the recruitment of new staff under the project), but training must be continued to ensure that existing staff maintain and upgrade their skills, and that new staff acquire necessary skills.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Satisfactory.

60. The Bank's overall performance in ensuring quality at entry is rated moderately satisfactory as there were moderate shortcomings in project design and the long preparation phase. Specifically, the Bank's performance in identification was satisfactory as the team built on the experiences of the preceding DFPF-Centro project and similar decentralization support projects funded by other development partners and worked to further strengthen government systems. In addition, it worked with all development partners supporting decentralization to establish a common framework in support for the government's program. However, the Bank's performance in preparation and appraisal was moderately satisfactory, mostly due to weaknesses in the monitoring and evaluation framework. The most important shortcoming was the decision to not explicitly link the technical assistance to the intergovernmental transfer systems of infrastructure investment funds that would have allowed the assessment of whether districts were improving their performance in responding to community priorities (see also discussion under Section 3.1 paragraphs 44 and 45). In addition, the relevance of some indicators was not clear. Another issue was the large number of dated covenants relating to studies, which could have been included in the project's work plan instead.

61. All other aspects of the design were satisfactory. The government and the development partners had agreed on a draft MOU, which described the arrangements through which all partners would coordinate their support of the government's program. The Bank team played a key role in advancing donor coordination by taking the lead in preparing and seeking endorsement for the MOU. The arrangements for development partner harmonization under the NDPPF were considered best practice in the country and increased the effective of aid for decentralization. However, it is worth noting that achieving this high level of donors' coordinating was significantly time consuming, particularly during project design, and contributed to a preparation time of nearly four years spanning from the government's request in 2006 until approval in 2010. Arrangements for monitoring and reporting had been agreed. Appraisal of implementation arrangements was satisfactory, with agreements reached on the roles and responsibilities of MPD, other line ministries, the AT, and provincial and district administrations. Further, the effectiveness conditions were limited in number and appropriate.

(b) Quality of Supervision

Rating: Moderately Satisfactory.

62. Bank performance in supervision is rated moderately satisfactory considering that regular supervision activities were generally carried out satisfactorily, but the Bank team missed an opportunity to improve monitoring and evaluation during implementation and importantly did not proactively initiate discussions on phase-out/follow-up arrangements until a few months before project closing. Another issue was that the project had five task team leaders²¹, a turnover which likely affected supervision of the program, as each new task team leader required time to build a relationship with the counterparts and to fully understand the complexities of the project. The team was bolstered midway through implementation with a consultant who provided general supervision support, a senior institutional consultant who provided strategic support, and a Bank staff member to help with the knowledge management component of the program. GIZ also appointed a staff member to supervise implementation of GIZ-financed activities, which helped improve performance during the second half of implementation.

63. The Bank and partners fielded nine implementation support missions during the five years of implementation, which means that missions took place twice a year. Missions lasted about two weeks each and typically comprised six or more members, including foreign and local consultants with expertise in local government administration, knowledge management, procurement, and financial management. Many implementation support missions included visits to provincial and district administrations. The ICR missions visited three provinces and six districts. Aide memoires were generally of high quality, thoroughly covering all key issues and providing practical recommendations on how to address challenges. They routinely reported on overall implementation progress; compliance with legal covenants; implementation of activities by component; performance with procurement, financial management, and monitoring and evaluation; developments with respect to partner coordination, and progress towards outcome indicators.

64. The Bank and development partners responded to challenges when they arose and tried to find effective solutions to them. In particular, when it became clear that the AT was demanding the right to review and approve contracts, even though the project had received an exemption from the government's procurement regulations from the Ministry of Finance, the team worked closely with the MPD to find a solution, offering advice on how to move forward. Also, when it became clear that the government's training institutes for the public administration did not have the capacity to accredit trainers of trainers, the Bank and partner teams proposed enlisting participating ministries instead to undertake and certify the trainers. In addition, the Bank and partners established an audit task force aimed at findings ways to improve the timeliness and quality of the project financial audits prepared by the AT.

65. The Bank team generally rated project performance indicators realistically during implementation. The final implementation support mission downgraded the progress towards the PDO from satisfactory to moderately satisfactory due to the recognition that a number of the intermediate outcome indicators would not be achieved by the end of the project, and emerging concerns about the sustainability of some of the project achievements, since the government had not yet formulated a new program that could sustain the achievements. Implementation progress was upgraded in December 2014 from moderately satisfactory to satisfactory to acknowledge the

²¹ Two from preparation until October 2011, the third until June 2012, the fourth until December 2014, and the fifth through closing.

notable progress made to reach indicator targets, in particular in the knowledge management component, and the good disbursement ratio.

66. Despite this generally satisfactory performance, the Bank team missed an opportunity to improve the information gathered under the project to demonstrate results. Although team members had earlier noted weaknesses with some of the results indicators, the team did not revise them during the restructuring that followed the midterm review. Moreover, the Bank team never commented on the omission of data on the proportion of direct project beneficiaries that are female. The Bank team also lacked an M&E specialist who could have helped improving the results framework. Moreover, MEF staff were of the view that, in contrast to the excellent technical support during preparation, the Bank team focused much more on procedural issues during implementation, and seemed more interested in closing the project, than with what would happen after the project closed.²² The discussion regarding sustainability was revived only when the new task team leader took over in early 2015.

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Satisfactory.

67. The Bank's overall performance was moderately satisfactory. In lending, the Bank worked closely with the MPD and other implementing agencies to design and prepare a project that built on the lessons learned from the early Bank and partner-funded initiatives in support of local government capacity building. However, the ultimate design contained several weaknesses, as noted above. During implementation, the Bank played a critical role keeping implementation on track and the project closed on time. Supervision regularly reviewed implementation progress, issues requiring attention, compliance with financial management and procurement, and progress towards results. The Bank responded effectively to find solutions to challenges. A rating of moderately satisfactory for ensuring quality at entry and a rating of moderately satisfactory for supervision justify an overall rating of moderately satisfactory for Bank performance.

5.2 Borrower Performance

(a) Government Performance

Rating: Moderately Satisfactory

68. The government's performance in implementation was moderately satisfactory. The Ministry of Finance issued an exemption from the government's procurement regulations in September 2010, shortly after the project became effective. However, it did not intervene on behalf of the project when the AT insisted that the project had to comply with government regulations. It also failed to formally respond to a request by the AT that it offer a waiver to the project. This issue was only resolved nearly one and a half years after project effectiveness as a result of a high-level dialogue between the MPD and the Prime Minister. Procurement of many key technical assistants could take place only after the issue was resolved, which slowed implementation of the project in its early years. The Ministry of Finance was also slow in inscribing the project's annual

²² Discussions during ICR missions took place with staff from MEF that had replaced the former Ministry of Finance and MPD with the appointment of the new government in January 2015.

work plan and budget in the e-SISTAFE. This meant that no payments could be made under the project until May 2011, delaying the start of project activities. Finally, the government did not issue the audit report covering the project's 2010 expenditures under the project preparation advance until nearly two months after the deadline. This delayed the meeting between the partners and the supervisory committee, during which the findings of the audit report were discussed and actions to address deficiencies agreed. The government improved its performance in this area the following year, and all other audit reports for the project were delivered on time.

(b) Implementing Agency or Agencies Performance

Rating: Satisfactory

69. The performance of the MPD (later MEF) was satisfactory. It complied with the four effectiveness conditions within the 90-day deadline following signing of the credit agreement. It took strong ownership of the project, and led the dialogue that eventually resulted in an agreement with the AT that the Bank's procurement procedures would apply to the project. It appointed and managed a solid team of technical advisors—which included experts in decentralized planning and finance, operational planning, community participation, monitoring and evaluation, financial control, procurement, public infrastructure, and others—to support its Directorate of National Planning in overall issues of project management. It also adequately handled the procurement of teams of advisors at the provincial level, and of the office equipment, pick-up trucks, motorcycles, and bicycles to be distributed to provincial and district administrations. It compiled the semi-annual progress reports, and presented them at meetings with the partners, the supervisory committee, and others. It complied with the covenants, although with some delays, due to start up challenges. The MPD also effectively led the coordination of activities being undertaken by the various ministries and agencies participating in the project. Throughout implementation, the MPD demonstrated high levels of commitment to the project, which was critical in keeping the project moving towards its objectives. However, it did not proactively seek authorization to start preparing a new project in time to ensure that no gap would exist between old and new. Although it has started consultations with the Bank and development partners, it was not considered that at least two years will be required for preparation and approval of a follow-on project.

70. Several line ministries were responsible for implementing activities to strengthen district capacity in specific areas related to their mandates under the overall coordination of the MPD.²³ The performance of most line ministries participating in the project was satisfactory. They successfully carried out their activities, as presented in the annual work plan and budget.

71. The performance of the provincial governments and districts were also largely satisfactory. All provincial administrations assigned staff to work with the NDPFP advisors, which helped to strengthen the capacity of the civil servants themselves. All compiled provincial implementation progress reports and annual work plans and budgets were sent to MPD for preparation of consolidated reports, but degrees of commitment and ownership varied across provinces. All districts sent staff to participate in various training workshops that facilitated operational skills in

²³ For example, the Ministry of Environment prepared and disseminated the ESMF to provinces and districts through its deconcentrated offices, which also provided training on its use. The Ministry of Public Works prepared manuals for construction and operations and maintenance of small infrastructure projects. The Ministry of State Administration supported the roll-out and operational trainings of the SMoDD.

preparing PESOD execution reports, the use of e-SISTAFE to record budget and expenditures and its submission to the AT for auditing purposes. Most districts took advantage of the opportunity offered under the project to recruit recent school graduates with skills in planning, accounting, and public works management, while seeking their permanent civil service appointment that further contributed to sustained capacity.

(c) Justification of Rating for Overall Recipient Performance

Rating: Moderately Satisfactory

72. The overall performance of the recipient was moderately satisfactory. The Ministry of Finance provided an exemption from government procurement regulations, but did not follow through with the AT to ensure it was put into place, which caused delays in the start of many activities. The MPD maintained a strong team at the directorate that effectively oversaw implementation of project activities, coordinated effectively with other implementing agencies, took the lead in resolving challenges, and complied with effectiveness conditions, covenants, and the Bank's financial and procurement guidelines. Participating line ministries, agencies, provinces and districts all performed satisfactorily. A rating of moderately satisfactory for government performance and a rating of satisfactory for implementing agencies' performance justify an overall rating of moderately satisfactory for Borrower performance.

6. Lessons Learned

73. **Providing support only for capacity building without linking it to monitoring of the delivery of infrastructure and services reduces the Bank's and partners' influence in ensuring funds for these purposes are used efficiently and effectively for district development.** Because the capacity building and institutional strengthening supported under the program was not aligned more closely with the inter-governmental transfer system nor any other tool to monitor the outcome of the participatory planning process at district level, the Bank and partners could not review if the district's funds for investments were actually spent on citizens' priorities. Nor did they assess district performance in procurement, financial management, or compliance with the Bank's safeguards policies. This makes it difficult to confirm that the project achieved its objective of improving the capacity of local government to manage public financial resources for district development in a participatory and transparent manner, without relying on proxy indicators.

74. **Working through country systems is good practice, but key systems should be in place from the outset to avoid implementation delays.** The use of Mozambique's financial management and procurement systems was an important design element of the project that contributed to strengthening government systems. However, the reliance on country systems can also become a bottleneck for implementation. It is therefore important to ensure that key country systems that the project depends on are operational by effectiveness to avoid delays in implementation as evidenced by the delays in the inscription of project funds in the government's electronic budgeting system e-SISTAFE and the additional AT clearance process.

75. **Effective mechanisms for development partner harmonization increase the effectiveness of aid.** All development partners supporting decentralization in Mozambique have

worked closely together to learn from each other and develop a common approach to decentralization. This resulted in a memorandum of understanding bringing all partners together in support of the national program. This is best practice and has enhanced the effective of assistance for capacity building for local government. However, it must be noted that reaching agreement on an effective approach is itself a time-consuming and challenging process that should not be underestimated. Also, when working through country systems, it may be less cumbersome for development partners to provide their funds bilaterally to the Government. In the future, a more effective approach could be for the government to prepare its national program and ask each development partner to support it using the modality that it preferred. Establishing a multi-donor trust fund at the Bank could be another model that would reduce transactions costs for all.

76. Commitment and provision of resources for creation of a user-friendly computer-based performance monitoring system allows for tracking of project outcomes and outputs across a large number of project entities. The implementing agency started to develop the district performance monitoring system under the previous project and maintained its commitment throughout the NDPFP project period. As a result, an effective system of tracking and reporting on district performance is in use by all 128 districts, which is generating a wealth of information on the performance of districts across a range of indicators, of great value for better managing resources.

77. Reviewing and revising the project's results framework midway through implementation would help ensure that the indicators being monitored are appropriate in tracking the project's achievements. Project teams often select indicators without having had experience in their ease of tracking and their relevance in revealing the project's achievements. Once they have gained this experience, they should use the opportunity of the mid-term review to thoroughly review the relevance of the indicators to track progress and replace those with limited relevance with better ones.

78. Institutionalizing community participation requires a long-term commitment by government and an appreciation of its benefits. Community participation is an expensive undertaking, especially in rural areas, where people must travel great distances to participate in meetings. Such an expense must be justified in terms of better decision-making and more satisfied citizens. Teams should consider undertaking citizen satisfaction surveys periodically to assess how effective the measures promoting participation have been. This information could then be used to design better approaches.

79. Building capacity of local governments requires a long-term engagement. The Bank and other development partners have been supporting the Government of Mozambique in strengthening provincial and district governments for the past 15 years. They have provided technical assistance through a series of projects supporting the Government's program, each of which has built on the achievements and the lessons learned of the previous ones. This has helped in sustaining and scaling up the gains of the previous engagement. However, capacity of local governments in Mozambique is still relatively weak, and technical support will likely be required for some time before they can perform well without such support. Ensuring the continuation of the decentralization support program based on the lessons learned under the NDPFP, in particular with regards to how to further improve the effectiveness and impact of the technical assistance at

provincial and district levels, can help ensure that the capacity built so far is sustained and further strengthened.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

A Project Completion Report prepared by MEF was received by the Bank on October 20, 2015, and served as input into the preparation of this ICR. Annex 5 includes the full report in Portuguese as well as a summary in English. A draft of this ICR was shared for comments with the Government on December 1, 2015, and subsequently discussed with representatives from MEF, other key national agencies and some provincial governments during an ICR review workshop held in Maputo on December 9, 2015. The workshop participants expressed their overall satisfaction with the report and MEF highlighted that the NDPFP represented an important milestone in the consolidation of previously scattered support to district administrations. They generally agreed with the findings and assessment of the draft ICR and confirmed that the experience with the project at both the national and sub-national levels is adequately reflected. The representative from the AT underscored that, as part of its legal mandate to monitor and audit the legality of public expenses, the AT had to conduct a prior review of all procurement processes surpassing the stipulated threshold. He further explained that the significant delays in obtaining the prior approval (“*visto*”) experienced during the project were also attributable to incomplete original requests and the need for several rounds of resubmission. Paragraph 27 of the ICR was revised to capture this aspect. The representatives from the provincial governments reaffirmed the need for continued technical assistance to districts to sustain the achievements of the project. The full set of comments they provided during the workshop is included in annex 6.

(b) Cofinanciers

A draft of this ICR was shared for comments with all development partners that co-financed the NDPFP on December 1, 2015. Representatives from GIZ, the Irish Aid, and UNDP participated in ICR review workshop on December 9, 2015. All present development partners agreed with the storyline and the assessment of the draft ICR, but provided some factual clarifications and precisions, in particular regarding donor coordination and past and ongoing activities supported by them. These comments have been incorporated in the final ICR. They also emphasized the importance of finding better donor coordination mechanisms to provide more efficient support to the Government’s decentralization support program going forward. The full set of comments they provided during the workshop is included in annex 6.

(c) Other partners and stakeholders

No comments were received from other partners or stakeholders.

Annex 1: Project Costs and Financing

(a) Project Cost by Component (in US\$ million equivalent)

Table 1: NDPFP Costs and Financing by Component (US\$ million)

Component	Appraisal Estimate	Actual /Latest Estimate	Percentage of Appraisal
1. Improving national support systems	3.9	5.6	146%
2. Strengthening participatory planning and budgeting	13.2	8	61%
3. Enhancing management and implementation capacity	11.6	17.8	153%
4. Strengthening oversight and accountability	0.4	0.5	125%
5. Knowledge management	0.5	0.6	120%
6. Effective project management and coordination	4.8	5.7	119%
7. Activities funded outside the Common Fund	8.6	11.3	131%
Refund of the project preparation advance	2.0	1.0	
Total base cost	45.0	50.5	
Contingencies	1.3	-	
Total project costs	46.3	50.5	109%
Total financing required	46.3	50.5	109%

(b) Financing

Table 2: ULGDP Costs and Financing by Component (US\$ million)

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$ million)	Actual/Latest Estimate (US\$ million)*	Percentage of Appraisal
IDA	Credit	30.4	29.9	98%
Netherlands, Ireland, Switzerland	Grant	7.3	9.3	126%
Germany	Grant	5.3	7.7	145%
UNDP	Grant	3.3	3.6	109%

* The difference in the actual from the estimate is due to exchange rate variations over the life of the project between Special Drawing Rights (the currency of the Credit) and the US dollar and other currencies like Euro.

Annex 2: Outputs of the NDPFP

Systems development and operationalization

- Developing and operationalizing the SMoDD in 128 districts.

Studies, reports, guidelines, and training manuals

Ministry of Planning and Development, current Ministry of Finance and Economy

- Ten semi-annual project progress reports.
- Guidelines and templates for districts for the publication of information related to their annual investment plans, budgets, execution, contracts and audits.
- Assessment of the impact of the technical assistance.
- Two studies on the effectiveness of community participation.
- High quality publication of twelve good practices.
- Webpage for the project.
- Annual work plans and budgets for the project.
- Elaboration of methodology for inclusion of the local development component within the PEDDs.
- Guidelines for assessing the quality of PEDDs.
- Guidelines on integration of cross-cutting issues within PEDDs.
- Annual updated guidelines for the preparation of PESODs.
- Simplified formats for submission of plans and decentralized funds (water, roads and classroom constructions) to be integrated into SMoDD.
- Manual on monitoring and evaluation—Role of SMoDD as the district database and tool to support the preparation of the balance sheets (PESODs).
- Analysis of funding needs for operations and maintenance of district infrastructure.
- Updating of the framework for the assessment and management of environmental and social impacts of district level infrastructure.
- Legal and institutional requirements for district planning, budgeting, and other aspects of administration.
- Analysis of application of environmental and social safeguards.

Ministry of State Administration and Public Function (including the former National Directorate of Human Resources Management)

- Revised and updated of guidelines for the preparation of development plans.
- Elaboration of 43 modules of the basic course in public administration within the framework of the new curriculum.
- Guidelines for district administrators.
- Training manuals for district directors and permanent secretaries for provision of district services.
- Revision and updating of organic statute of the provincial governments.
- Training manuals for the heads of administrative posts and localities.
- Methodology for the inclusion of the local development component in the PEDDs.

- Review and updating of training manuals for members of local councils (including manuals on establishment and training of members of local committees and manual on preparation of radio programs).

Ministry of Public Works and Housing

- Training manuals on operation and maintenance of public buildings.
- National policy and strategy on operation and maintenance of public infrastructure.
- Training manual on construction works supervision/inspection (*fiscalização*).
- Training manual on technical works within districts.
- Training manual on executive project designs for public works.
- Training manual on contract management.
- Training manual on the use of materials and alternative forms for constructing buildings.
- Guidelines on “the art of well built.”
- Guidelines and procedural manual for testing and quality assessment/ control of building materials.
- Guidelines for the development of district resource centers.

National Public Accounting Directorate

- Criteria and methodologies for forecasting and enrolment of district budgets within the general state budget (own-source revenues and the national reconstruction tax).
- Regulatory framework of district revenue.
- Training manuals for the areas of revenue, expenditures (goods and services and investments) and processing of salaries and allowances (three training modules for the area of district finance).

Ministry of Finance/Procurement Oversight Unit

- Procedural guidelines for land registry, including models for public building signposting.
- Revision and updating of templates for public works, goods and services.
- Guidelines on procurement procedures for goods and services.
- Guidelines on procurement procedures and management of property/heritage.

Ministry of Finance/General Inspectorate of Finance

- Manuals for conducting basic internal audits.
- Manuals for conducting audits based on risk.

Ministry of Environment and former National Direction of Planning and Land Management

- Manuals for the course on environmental law, environmental impact assessment, environmental auditing, and strategic environmental assessments.
- Training manual on territorial planning instruments.
- Training manuals in the area of monitoring of land use planning activities.
- Guidelines to support district service planning and infrastructure units in the use of territorial planning instruments.

General State Administration Inspectorate

- Revision of the manual and guidelines for inspectors.

- Elaboration and updating of career regulations/professional qualifications of the Provincial Administrative Inspectorate.
- Code of conduct for inspectors.

Administrative Tribunal

- Decentralization of Administrative Tribunals to Niassa, Nampula, Zambézia and Sofala, Inhambane, Maputo and Tête, and the ongoing decentralizations in Cabo Delgado, Manica, Gaza and Maputo City.
- Revision and updating of the legislation related to external control.
- Revision of operations manual with mandatory guidelines for managers of OLEs.

Vehicles

- 140 double-cab pickup trucks.
- 655 motorcycles.
- 3,840 bicycles.

Office equipment

- 396 computers.
- 44 laptops.
- 424 printers.
- 256 photocopiers.
- 148 fax machines/scanners.
- 1,163 office furniture sets.

Training

- Provincial staff trainers in planning.
- District technician staff in participation and communitarian consultation in planning.
- Consultative councils' members in the subjects of planning and local economic development.
- District staff in matter of strategically planning.
- District staff in matter of operational planning.
- District staff in matter of management of public works.
- District staff in matter of financial management (expenditures and inscriptions).
- District technician staff in subject of procurement of goods, works and services.
- Provincial inspectorate staff to be able to assist districts staff to make the internal auditing and control techniques to be operational systems.
- District staff in matter of the internal auditing and control techniques to be operational systems
- Exchange of experience, knowledge and good learning/practices.
- Workshop for exchange of experience between districts staff.
- Workshop on sectoral decentralization (to define a timeline and matrix of activities that are to be decentralized).

Annex 3: Economic Analysis

The PAD did not estimate economic or financial analyses against which the project efficiency could be measured at closing. Efficiency can therefore only be inferred in qualitative terms considering expected impacts of project activities and the administrative efficiency (procurement and financial management processes) with which it was implemented. The following evidence points to moderate efficiency of the project.

The project improved participatory planning and budgeting processes as well as transparency in all of Mozambique's 128 districts that existed at the start of the project to ensure that investments presented in the district strategic and operational plans reflected the priorities of communities.²⁴The project also financed and supported the Government in establishing the web-based district performance monitoring system SMODD that is now operational across the entire country and used to monitor results under the National Development Plan. The project is also likely to have strengthened local governments to obtain adequate value for money by improving their procurement processes. Procurement at the project level was through international or national competitive bidding procedures or shopping to ensure value for money in procuring goods. Consultant services were procured through quality and cost based procedures, with single sourcing used to procure services of consultants who had already worked at the MPD and whose skills had been proven. Most procurement at local government level was carried out in accordance with government regulations, with nearly 80 percent of contracts presented to the AT for prior review, of which 63 percent were approved.

Transparency and accountability were assured through making available to the public the PESODs and the annual reports on their execution. Moreover, governments at all levels maintain complaints handling mechanisms to allow citizens to bring suspected cases of fraud and corruption to the attention of the authorities.

However, there were considerable delays at the start of project implementation due to the use of country systems. As a result, following the MTR, targets for some indicators were revised downwards, so that the 2014 targets were replaced with the former 2013 targets. With no corresponding reductions in the overall project budget, this would imply a reduction in the project's efficiency relative to the original plans. However, the project ultimately achieved many of the original 2014 targets and overall project benefits seem to justify the project costs, yielding a rating of moderate efficiency for the project.

²⁴ 22 additional districts were created in 2013 when the project was under implementation.

Annex 4: Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending and Supervision			
Ali Alwahti	Urban Specialist	GSURR	TTL/ Lending
Ivo Imparato	Principal Regional Team Leader	GWASL	TTL / Implementation
Uri Raich	Senior Urban Specialist	GSURR	TTL / Implementation
Andre Herzog	Senior Urban Specialist	GSURR	TTL / Implementation
Katherine Kuper	Senior Urban Specialist	AFTUW	TTL / Project design
Wendy Schreiber Ayres	Senior Economist (consultant)	GSURR	Primary ICR author
Julia Anna Oberreiter	Junior Professional Officer	GSURR	Project implementation
Bontje Marie Zangerling	Urban Specialist	GSURR	Supporting ICR author
Maria Isabel Nhassengo-Massingue	Procurement Assistant	AFCS2	Procurement
Cary Anne Cadman	Senior Environment Specialist	GENDR	Environmental safeguards
Rafael Saute	Senior Communications Officer	AFREC	Communications
Carolin Sophie Moje	Consultant		
Amos Martinho Malate	Procurement Specialist	GGODR	Procurement
Arlete Quiteria Comissario	Program Assistant	AFCS2	Program assistance
Elvis Teodoro Bernado Langa	Financial Management Specialist	GGODR	Financial management
Dirk Bronselaer	Senior Procurement Specialist	AFTPE	Procurement
Anne Louise Grinsted	Economist (consultant)	AFCS2	Economic analysis
Jeffrey Racki	Consultant	AFTUW	Project design
Jonathan Nyamukapa	Financial Management Specialist	AFTFM	Financial management
Renaud Seligman	Practice Manager	GGODR	Financial management
João Tinga	Financial Management Specialist	GGODR	Financial management

Lourdes Pagaran	Senior Evaluation Officer	IEGPS	Operations quality
Andrew Asibey	Senior Monitoring and Evaluation Specialist	GSPDR	Monitoring and evaluation
Nicolette Dewitt	Lead Counsel	LEGAF	Legal advice
Jutta Kern	M&E Specialist	AFTRL	M&E
Eduardo Brito	Senior Counsel	LEGAF	Legal advice
Suzanne Morris	Disbursement Officer	CTRFC	Disbursement
Antonio Chamuco	Senior Procurement Specialist	GGODR	Procurement
Giacomo Ottolini	Senior Procurement Specialist	AFTPC	Procurement
Isabel Nhassengo	Procurement Assistant	AFCS2	Procurement
Nilsa Come	Program Assistant	AFCS2	Program assistance
Roderick M. Babijes	Program Assistant	GSURR	Program assistance
Rildo Santos	Program Assistant	GSURR	Program assistance
Louis Helling	Senior Institutional Development Specialist (consultant)	GSURR	Project design and implementation advice
Sebastian A. Muller	Consultant	GSURR	Project implementation

(b) **Staff Time and Cost** (from SAP)

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of Staff Weeks	US\$ Thousands (including travel and consultant costs)
Lending		
Fiscal 2008	3.6	42.2
Fiscal 2009	40.4	178.4
Fiscal 2010	31.7	89.3
TOTAL:	75.7	309.9
Supervision/ICR		
Fiscal 2010	2	9.8
Fiscal 2011	27	102.7
Fiscal 2012	13.6	99.5
Fiscal 2013	19.1	110.6
Fiscal 2014	26.7	125.4
Fiscal 2015	13.8	88.1
Fiscal 2016	4.9	34
TOTAL	107.1	570.1

Annex 5: Summary of Borrower's ICR and/or Comments on Draft ICR

Summary of Borrower's ICR

The Government of Mozambique prepared a Project Completion Report for the NDPFP in Portuguese, which was shared with the World Bank on October 20, 2015. The below is a summary of the key points raised in the government's completion report.

Key factors affecting implementation and outcomes

The report noted positively that NDPFP was the first program that consolidated several scattered donor efforts into one national program, covering all 128 Mozambican districts that existed at the time. However, the report also raised concerns about the long preparation phase of the project from the government's request in 2006 until the actual effectiveness of the project in 2010, recognizing the complexity of the project design regarding the large number of actors involved on the side of both the government and the development partners. In addition, the government felt that the responsibilities and competencies of the involved actors were not clearly enough defined.

The report points to several difficulties during project implementation, in particular the first year, which initially delayed planned activities significantly. On the one hand, disbursements of funds from the Common Fund were delayed due to delays in the inscription of the project resources into e-SISTAFE, the government's electronic budgeting system budget. These delays, in turn, had a negative impact on the implementation of activities within the districts. Similarly, delays in placing technical advisors at the provincial level to support the implementation of program activities and in putting in place the necessary equipment in the districts affected the overall performance of the program in the early years of implementation. According to the government, the main reason for this was the divergence in the interpretation of national rules for procurement versus the Bank's procurement rules. Procurement processes often had to undergo additional approvals at national level after having received the Bank's no objection. This caused considerable delays in project implementation. In addition, the report points out that the Bank's procurement rules are often far from the countries' reality, particularly related to the capacities at district level.

Assessment of Outcomes

Comparing the program's development objectives to the actual results achieved, the government highlights the importance of the actual outcomes but also concludes that these do not entirely correspond to the results that were originally stipulated in the project documents. For the government, the most important achievements of the program were: (i) the vast improvement in the overall performance of the processes led by the districts (PESODs), (ii) the creation and functioning of local consultative councils, (iii) improved domain of e-SISTAFE and financial processes closed at the end of fiscal year, (iv) considerable increase in the numbers of prior approvals ("vistos") of the Administrative Tribunal in the procurement processes, (v) increase in annual own source revenues of district governments, (vi) Increase in districts that submitted their annual financial statements to the Administrative Tribunal in accordance with current legislation, and (vii) increase in human and technical capacity within the districts (technical integration).

Assessment of Bank and Borrower Performance

With regards to the performance of the Government and the Bank, the report highlights that the long duration of the preparation process brought about certain challenges regarding the

management of evolving expectations. While the report indicates that the Bank and other development partners showed a high degree of professionalism and provided solid technical assistance during preparation, it also notes that negotiations were somewhat rushed and some aspects were incorporated in project design without having full consensus, under a big pressure to finalize the project. Regarding implementation, the government's assessment finds that there were not enough joint technical discussions with the Bank and other development partners to deepen relevant issues for the project. It also deplors that the frequent change of Task Team Leaders was a source of discontinuity in project implementation.

Lessons learned

Finally, the government highlighted the following lessons learned in the report: (i) the communication flow between the government and development partners could be improved through a clearer definition of roles and responsibilities of each actor; (ii) the number of implementation support missions could have been specified in the project documents and the fact that the missions were mainly concentrated at central level limited the partners' territorial vision of the project; (iii) the government recommends to reduce the number of implementing institutions and to focus on institutions with greater impact in local governance; and (iv) advocates for a strengthening of national systems in place (e-SISTAFE).

Full Copy of Borrower's Project Completion Report



**República de Moçambique
Ministério da Economia e Finanças
Direcção Nacional da Planificação e Orçamento**

**Relatório Final do Programa Nacional de
Planificação e Finanças Descentralizada**

(Contribuição do Governo para o ICR: Implementation Completion & Results Report)

Maputo, Setembro de 2015

Nota Introdutória

O presente documento constitui a contribuição do Governo no processo de elaboração do ICR do Projecto Nacional de Planificação e Finanças Descentralizadas (PNPFD). A sua composição obedece ao Guião para a elaboração do ICR (*Implementation Completion & Results Report*), versão actualizada em Setembro de 2007. Na primeira parte, o documento refere-se a aspectos de responsabilidade do Governo relativas a avaliação geral do processo do desenho, dos objectivos, da implementação e da execução. A segunda parte, o documento fornece informações sobre o ambiente no qual o Projecto foi implementado, conforme os prazos definidos nos documentos legais orientadores do Projecto.

L AVALIAÇÃO DO PROCESSO DE FORMULAÇÃO, DO OBJECTIVO OPERACIONAL, DO PROCESSO DE IMPLEMENTAÇÃO E DA EXPERIÊNCIA OPERACIONAL DO PROJECTO

1. Da avaliação

1.1. Processo de Formulação do Projecto

O Projecto é resultado da vontade manifestada pelo Governo de Moçambique, em Julho de 2006, no sentido de estabelecer um Programa único, compreensivo e abrangente para todos distritos¹ do País, para apoiar o desenvolvimento de processos de planificação e finanças. Antes de 2006, as acções desenvolvidas nesta área eram dispersas e lideradas pelos diferentes Parceiros de Cooperação. Com estabelecimento do Programa, foi definido um objectivo geral sobre o qual todos intervenientes concordaram em alcançá-lo.

O desenho deste projecto iniciou com o apoio duma consultoria especialmente contratada² para o efeito. O documento produzido mereceu análises, quer por parte de Parceiros, quer por parte do Governo. Da decisão tomada em 2006, para estabelecer um Projecto/Programa único, depois da assinatura de Memorando de Entendimento, a 18 de Março de 2010³. A sua efectividade aconteceu em Agosto de 2010 e o lançamento formal a nível nacional ocorreu em Novembro do mesmo ano.

O longo tempo transcorrido entre a decisão do Governo, em 2006, e a efectividade do Projecto, em 2010, deixa claro a complexidade do processo do seu desenho, por envolver, dum lado, muitas agências de implementação do Governo, e doutro lado, muitos Parceiros. A definição das responsabilidades e competências de cada um dos actores envolvidos, foi pouco clara e de certa forma confusa.

No processo de desenho, constituiu uma mais-valia, o forte envolvimento das instituições nacionais, chamando para si a direcção estratégica do Projecto, incluindo a primazia das normas e procedimentos de gestão financeira, em vigor no País (SISTAFE).

¹ Distritos existentes até 2013, Lei nº 26/2013 de 18 de Dezembro.

² Foi contratada a Empresa Metiêr Consultoria, Lda. sediada na Cidade de Maputo

³ O MdE foi assinado entre o Governo e os Parceiros, designadamente: Banco Mundial, Cooperação Irlandesa, Cooperação Suíça, Cooperação Holandesa, Cooperação Alemã e PNUD. O MdE, estabelece mecanismo para coordenação de apoio para PNPFD.

O Projecto teve as seguintes áreas de intervenção mutuamente complementares:

(i) Reforço do sistema nacional em termos de elaboração, desenvolvimento e harmonização de políticas e estratégias relevantes, instrumentos legais, metodologias e ferramentas de apoio aos processos de Planificação e Finanças Descentralizadas que devem reforçar o enquadramento legal dos processos de Planificação e Finanças Descentralizadas.

(ii) Reforço institucional dos Órgãos Locais do Estado com ênfase nos Governos Distritais para lhes estruturar e capacitar na gestão do ciclo de planificação cobrindo (a) o Apoio à planificação descentralizada, que incorpora um apoio aos processos de participação comunitária, planificação estratégica e planificação operacional e; (b) o Apoio à implementação dos planos distritais, que têm o seu enfoque no processo de gestão e execução dos planos e reforço do controlo interno e externo, que deve garantir uma melhor transparência, eficiência e eficácia na alocação e utilização dos recursos disponíveis para o desenvolvimento distrital.

(iii) A gestão de conhecimento, que focalizou a avaliação e disseminação de boas práticas para reforçar os processos de Planificação e Finanças Descentralizadas estabelecendo um ciclo de aprendizagem como parte integral do sistema.

1.2. Objectivo Operacional

O Projecto definiu como objectivos operacionais “apoiar os vários níveis de governação, com particular enfoque nos distritos, na implementação e consolidação dos processos distritais do Sistema de Planificação e Orçamentação; e

Aprofundar o conteúdo descentralizado e participativo destes processos, por forma a assegurar a melhoria contínua do seu funcionamento e a incorporação dos resultados sustentáveis de novas experiências nos sistemas, metodologias, legislação e políticas nacionais relevantes”. A finalidade última, desses objectivos é capacitar os Governos Distritais no quadro da boa governação de base participativa.

1.3. Processo de Implementação

Apesar dos progressos registados, no primeiro ano efectivo de implementação (Novembro de 2010 à Dezembro de 2011) foram enfrentadas dificuldades que influenciaram o curso normal do tempo útil do Projecto. Problemas relacionados com atrasos no desembolso de recursos do Fundo Comum do PNPFD para a execução das actividades derivado da inscrição tardia do orçamento no SISTAFE prevaleceram ao longo de todo o período da existência do Projecto. De forma particular, estes problemas tiveram impacto negativo nos distritos. De igual forma, o atraso na colocação da assistência técnica em todas as províncias, aliada a insuficiência da disponibilidade dessa assistência, e, a colocação tardia de meios e equipamentos no terreno, não contribuíram para o desempenho pleno do Projecto. Dentre as causas, pontifica a divergência na interpretação dos Procedimentos de *Procurement*, entre o Banco Mundial e o Governo de Moçambique.

No entanto, a implementação deste Projecto revestiu-se de interesse e importância particular pelas lições apreendidas quer pelos sucessos, quer por desafios resultantes (que foram tempestivamente ou progressivamente ultrapassados).

1.4. Experiência Operacional

Factualmente, uma vez assinado o MdE e o Acordo de Financiamento e todos documentos e associados, no terreno houve necessidade de ajustamentos permanentes para o bom termo do Projecto. Os prazos inicialmente previstos nos documentos reguladores foram sendo progressivamente ajustados afectando, por exemplo, o cumprimento dos Indicadores Chave de Desempenho. O estabelecimento de corpos técnicos de apoio a implementação do Projecto, registou consideráveis atrasos a todos os níveis.

A despeito de consultas prolongadas com vista a garantia da legalidade do Projecto na sua implementação surgiram interpretações divergentes e/ou pouco consensuais face ao ordenamento jurídico nacional versus as normas em uso pelos Parceiros. Por exemplo, o atraso na implantação da assistência técnica a todos os níveis, foi decorrente da divergência na interpretação das normas entre o Ministério Público, Tribunal Administrativo e Banco Mundial.

As expectativas despertadas pelo Projecto, suficientemente publicitado, sobretudo entre os diferentes implementadores dentro de Governo e mesmo entre os Parceiros de implementação resultaram numa pressão acrescida, sobre a unidade de coordenação geral do Programa.

2. Avaliação do resultado face aos objectivos acordados

O resultado do Projecto nos termos acordados era de ver **“melhorada a governação local e a prestação de serviços públicos em resposta às prioridades das comunidades”** (Cfr. documentos do Projecto).

Objectivo Geral do Programa era de, **“melhorar a capacidade dos Órgãos Locais do Estado na gestão de recursos públicos para o desenvolvimento distrital numa maneira participativa e transparente”**, (Cfr. documentos do Projecto).

Uma comparação entre o resultado e objectivo definido, leva a concluir que no período do Projecto (2011- 06/2015) o resultado alcançado não corresponde na plenitude ao postulado nos Documentos do Projecto. Ou melhor, a sua mensuração não é de fácil realização para se chegar a esta conclusão. Entretanto, muito foi feito que concorre para alcance do resultado definido nos Documentos do Projecto.

Entre as grandes realizações, importa destacar:

- (i) Foi melhorado o desempenho dos processos distritais (distritos registam uma taxa de execução financeira do PESOD igual ou superior à de 90% do orçamento; distritos possuem Balanços do PESOD discutidos no Conselho Consultivo do Distrito e afixados em público, distritos possuem Relatórios Anuais de Desempenho dos processos distritais, preparados com base no Sistema de Monitoria do Desenvolvimento do Distrito (SMoDD).

(ii) Há registo do aumento da capacidade técnica e humana no distrito (contratados mais de 90% dos técnicos profissionais na função pública dos 628 previstos nas diferentes áreas, tendo sido integrados 515 técnicos numa meta de 444).

(iii) Foi melhorada a execução dos processos distritais:

- (a) 100% dos distritos preparam e disseminam o seu PESOD de acordo a metodologia para a elaboração do PESOD;
- (b) Distritos possuem Conselhos Consultivos Locais, de acordo com critérios seleccionados da legislação em vigor;
- (c) Distritos apresentam todos os processos administrativos fechados no e-SISTAFE no fim de cada exercício económico;
- (d) O número de Vistos e/ou Anotações do Tribunal Administrativo, referentes a Obras Públicas, aumentou consideravelmente;
- (e) Os distritos têm registado um crescimento anual nas receitas arrecadadas e registadas no e-SISTAFE; e
- (d) Grande parte dos distritos envia anualmente a sua conta de gerência ao Tribunal Administrativo de acordo com a legislação em vigor).

3. Avaliação do Desempenho do Governo durante a preparação e implementação do PNPF

O Processo de preparação foi bastante longo, trazendo consigo problemas relacionados com a gestão das expectativas geradas ao longo do processo de auscultação dos diferentes intervenientes do Projecto.

Alguns Indicadores Chave de Desempenho, não foram consensuais no processo de concepção, tendo sido incluídos nos Documentos do Projecto por imperativos temporais. Porque as negociações se prolongavam por muito tempo, alguns aspectos foram incluídos sem que os consensos tenham sido alcançados. A título de exemplo os Indicadores referentes ao “número de distritos com crescimento anual de pelo menos 10% nas receitas arrecadadas e registadas no e-SISTAFE” (Componente 3) e “número de distritos que informam os Conselhos Consultivos Distritais sobre os resultados e sobre acções do Controlo Interno e Externo” (Componente 4), não foram consensuais.

4. Avaliação do desempenho do Banco Mundial e outros Parceiros, durante a preparação, implementação do Projecto, incluindo a efectividade no seu relacionamento com ênfase nas lições aprendidas

4.1 Fase de Preparação

Durante a fase de preparação as equipas intervenientes demonstraram um elevado grau de profissionalismo, abertura em relação aos pares, espírito de equipa e inclusão. No entanto, no decorrer do processo, devido a pressão do tempo algumas matérias do Acordo de Financiamento tiveram pouco espaço para o seu aprofundamento (*procurement* e definição dos indicadores chaves do desempenho).

4.2 Período de Implementação

Ao longo do período da implementação nota saliente foi a pouca estabilidade da equipe de apoio do Banco tendo havido constantes mudanças sobretudo ao nível da liderança do grupo (team leader). Este elemento muitas vezes constituiu um factor de descontinuidade devido a eventuais diferenças na interpretação dos documentos principais do Projecto.

4.3 Gestão Financeira

O Projecto foi financiado por duas modalidades: o financiamento em espécie cujos fundos foram executados fora do Sistema de Administração Financeira do Estado (SISTAFE) e financiamento por via de um Fundo Comum, cujos fundos foram executados via Conta Única do Tesouro obedecendo às normas de orçamentação e execução do SISTAFE.

Todos os Parceiros, cumpriram os compromissos assumidos nos respectivos Acordos de Financiamento. No que respeita à execução dos Fundos do Banco Mundial/IDA foram desembolsados e executados na proporção de 98% do previsto no Acordo.

O desempenho financeiro foi satisfatório, sendo de realçar o desafio, experiência e lições aprendidas na gestão descentralizada dos fundos via CUT, envolvendo 176 agências de implementação. Houve registo de alguns constrangimentos que foram sendo superados gradualmente no decurso da implementação do Projecto.

Ao nível do controlo interno e externo, as acções de capacitação e visitas de supervisão realizadas pelo Governo e Banco Mundial contribuíram no aumento das capacidades dos gestores de fundos a nível Provincial e Distrital.

As auditorias anuais realizadas pelo Tribunal Administrativo produziram melhorias na execução dos fundos, tal como se pode verificar nas agências de implementação auditadas nos cinco anos de vigência do Projecto.

A expressão numérica dos desembolsos e despesas do Projecto está representada nas tabelas (1 a 4) anexas a este relatório.

4.4 Efectividade no Relacionamento e Lições Aprendidas

Em relação a efectividade do relacionamento, num Projecto desta natureza, com uma multiplicidade de agências de implementação e parceiros, não é fácil conseguir uma perfeita harmonia. O fluxo de comunicação/informação nem sempre foi o melhor. Daí que decorre uma das lições deste Projecto. A redução e/ou racionalização dos intervenientes, incluindo uma apurada definição de responsabilidades e competências seria recomendável em eventuais futuros Projectos.

Uma outra lição foi o número excessivo de missões de avaliação conjunta, as quais nunca foram explícitas nos documentos do Projecto, em termos de periodicidade.

As missões realizadas concentraram-se ao nível central, limitando a visão dos Parceiros em relação a globalidade (territorial) do Projecto. Futuramente recomenda-se a realização de missões de forma equilibrada.

4.5 Avaliação de Outros Parceiros

4.5.1 Cooperação Irlandesa

Este Parceiro é um dos subscritores do MdE e contribuinte do Fundo Comum. Cumpriu na generalidade no quadro do Programa. Contudo, no ano fiscal 2015 só desembolsou parte (%) do compromisso assumido, por razões de ordem interna, segundo informações facultadas por este Parceiro ao Governo.

4.5.2 Cooperação Suíça

Este Parceiro é um dos subscritores do MdE e contribuinte do fundo comum. Cumpriu na generalidade no quadro do Programa.

4.5.3 Cooperação Holandesa

Este Parceiro é um dos subscritores do MdE e contribuinte do fundo comum. Cumpriu na generalidade no quadro do Programa. Em 2012 anunciou a sua retirada, por razões de ordem interna, depois de cumprir com os acordos de financiamento.

4.5.4 Cooperação Alemã

Este Parceiro é um dos subscritores do MdE nas províncias (Inhambane, Sofala e Manica), mas a sua contribuição foi integralmente em espécie. A execução financeira foi feita fora do fundo comum embora os seus limites fossem comunicados a unidade coordenadora do Programa. Mesmo os mecanismos de contratação e pagamento da assistência técnica foram feitos sem o envolvimento do Governo, incluindo o domicílio laboral que foi fora das instituições de implementação do Governo. Nas províncias a situação não era diferente, com a excepção da província de Sofala onde a unidade de apoio da GIZ funciona no edifício do Governo.

4.5.5 Programa das Nações Unidas para o Desenvolvimento (PNUD)

Este Parceiro é um dos subscritores do MdE, mas a sua contribuição foi integralmente em espécie. Parte da gestão financeira deste parceiro era feita também a partir da DNPO. A assistência técnica também está domiciliada na DNPO e nas DPPF's ao nível provincial (Gaza, Nampula e Cabo Delgado). No entanto, no decorrer do Projecto houve problemas de comunicação em termos de fluxos financeiros deste Parceiro. A contribuição do PNUD não foi reflectida em muitos relatórios do Programa. Mesmo assim, esta limitação não teve consequências no desempenho geral do PNPFD.

5. Descrição dos arranjos institucionais de coordenação e gestão na perspectiva futura do PNPFD

Em função do desempenho do Projecto pode-se perspectivar o seguinte cenário em função do desempenho do PNPFD:

Ao nível nacional recomenda-se a redução do número de instituições implementadoras do Projecto, concentrando se em instituições com maior impacto ao nível da Governação Local.

Na perspectiva financeira o princípio básico é de dar primazia ao fortalecimento dos sistemas nacionais em vigor (SISTAFE, ...).

6. Assistência na preparação do ICR do Banco.

Na última missão de supervisão conjunta, realizada em Abril de 2015, foi apresentada uma consultora do Banco com responsabilidades na preparação do ICR. Esta consultora entrevistou algumas figuras da equipa do Projecto do nível central.

II. INFORMAÇÃO SOBRE AS CONDIÇÕES ECONÓMICAS, FINANCEIRAS, SOCIAIS, INSTITUCIONAIS E AMBIENTAIS NAS QUAIS FOI IMPLEMENTADO O PROJECTO

1. Qualidade da contribuição do Banco no processo de execução

O Projecto é um contributo para o esforço nacional de combate à pobreza, em particular nas zonas rurais. A decisão de formular o PNPFD está inserida nas prioridades políticas nacionais, no modelo de descentralização e desconcentração adoptado e nos seus instrumentos de operacionalização, e assenta na síntese da experiência, desde os anos 90, de planificação distrital e finanças descentralizadas em Moçambique. O Programa Quinquenal do Governo 2009 -2014 serviu de *umbrela* para a execução do Projecto. A performance pode ser enquadrada nos esforços que o Governo desenvolveu neste período de governação.

O Banco desenvolveu as suas acções no quadro da parceria com o Governo, sendo na generalidade satisfatório o seu desempenho pese embora alguns aspectos de ordem administrativa – burocrático, quer do Banco, quer do Governo terem retardado a fluidez da a execução das actividades do Projecto. A título de exemplo, é de mencionar atrasos na concessão do *No Objection no Procurement* Por outro lado, a rigidez nas regras e procedimentos do Banco, muitas vezes desajustadas à realidade do País, particularmente, a limitada capacidade do distrito (por exemplo as regras do *procurement* do Banco).

2. Discussão do ICR entre o Banco, Governo e outros Parceiros.

3. Comentários sobre o *draft* do ICR elaborado pelo Banco.

Apêndice I: Demonstrações Financeiras

Tabela 1

DESEMBOLSOS DO BANCO MUNDIAL/IDA USD VERSUS SDR - POSIÇÃO A 04 de Setembro de 2015							
Período: PPA + Período Efectivo							
Fonte de informação: Client Connection							
Mês	Nº APL	DESPESA			RECEITAS		
		Valor USD	Valor SDR	Câmbio	Valor USD	Valor SDR	Câmbio
Set-15	24	585,131.72	417,456.24	1.40166			
May-15	23	549,811.03	395,220.52	1.39115	328,543.75	236,167.02	1.39115
Mar-15	22	1,619,991.53	1,164,071.35	1.39166	-	-	-
Dez 2014	21	1,409,319.98	958,838.48	1.46982	-	-	-
Set 2014	20	1,058,674.86	703,915.52	1.50398	-	-	-
Mai 2014	19	380,348.40	246,555.21	1.54265	3,075,467.63	1,993,626.31	1.54265
Abr 2014	18	3,214,180.49	2,080,052.60	1.54524	604,476.04	391,185.86	1.54524
Dez 2013	17	1,295,980.59	840,890.60	1.54120	-	-	-
Set 2013	16	1,364,678.40	902,702.39	1.51177	3,053,097.54	2,019,551.61	1.51177
Set 2013	15 Pagto Directo	512,785.28	336,568.24	1.52357	512,785.28	336,568.24	1.52357
Jul-13	14	10,857.60	7,194.61	1.50913	10,857.60	7,194.61	1.50913
Jun-13	13	4,102,282.25	2,727,653.83	1.50396	4,102,282.25	2,727,653.83	1.50396
Jun-13	12	512,613.03	335,873.20	1.52621	512,613.03	335,873.20	1.52621
Jun-13	11	420,098.98	275,245.52	1.52627	-	-	-
Mar-13	10	2,532,049.71	1,680,482.18	1.50674	973,676.28	646,213.87	1.50674
Dez 2012	9	1,570,967.50	1,025,629.86	1.53171	3,651,023.29	2,383,625.68	1.53171
Dez 2012	8	1,259,364.98	818,699.81	1.53825	-	-	-
Ago 2012	7	547,729.95	360,702.24	1.51851	3,265,130.58	2,150,220.01	1.51851
Mai 2012	6	3,729,130.09	2,456,494.16	1.51807	804,019.65	529,632.79	1.51807
Mai 2012	5	1,091,849.97	719,065.07	1.51843	-	-	-
Mai 2012	4	1,068,387.89	703,613.53	1.51843	-	-	-
	3	58,245.48	36,198.45	1.60906	-	-	-
Mar-11	2	72,260.55	45,540.83	1.58672	7,872,767.34	4,961,661.38	1.58672
	1	96,397.40	62,669.79	1.53818	96,397.40	62,669.79	1.53818
					-	-	-
30 Ago 2010	PPA	878,958.11	582,427.03	1.50913	878,958.11	582,427.03	1.50913
	Adiantamento Fundo	-	-	-	200,000.00	132,526.69	1.50913
	Juros	4,430.61	2,935.87	1.50913	4,430.61	2,935.87	1.50913
TOTAL Abr 2015		29,946,526.38	19,886,697.13		29,946,526.38	19,499,733.79	
				Montante Original Aprovado	27,505,858.00	19,800,000.00	
				Desembolsos efectuados	27,365,146.40	19,499,733.79	
				Saldo com Banco Mundial/IDA	140,709.80	100,266.21	
				Grau de execução versus Valor do Acordo de Finan		99%	

Tabela 2: MAPA COMULATIVO DE DESEMBOLSOS E DESPESAS DO FUNDO COMUM

Período: PPA a 30 de Junho de 2015

Financiadores (1)	Valores em USD			Valores em USD				Valores em USD	
	DESEMBOLSO DE RECURSOS FINANCEIROS			DESPESA TOTAL				SALDOS	
	Recursos Acumulados até 31 Dez 2014	Entradas 2015	Total Entradas Acumuladas a 30 de Junho 2015	Total Despesa Acumulada Até 31 Dez 2014	Despesa I TRIM 2015	Despesa II TRIM 2015	Total Despesa Acumulada a 30 de Junho 2015	Saldo Indicativo	% de Repartição - Ano Fiscal 2014
1. Cooperação Suíça	3,412,372	88,423	3,500,795	3,300,298	74,976	125,521	3,500,795	0	16%
2. Banco Mundial	29,617,983	328,544	29,946,526	28,811,584	549,811	585,132	29,946,526	0	84%
3. Governo da Holanda	1,830,320	0	1,830,320	1,800,570	29,750	0	1,830,320	0	0%
4. Governo da Holanda	3,925,954	0	3,925,954	3,925,954	0	0	3,925,954	0	0%
5. Reembolso do Governo	97,636	73,684	171,320	0	0	79,354	79,354	91,966	0%
Total	38,884,264	480,651	39,374,915	37,838,408	654,537	780,007	38,282,949	91,886	100%

NOTA: O total de pagamentos do Banco Mundial/VIDA inclui PPA e pagamentos directos

Tabela 3: PLANO DE ACTIVIDADES DO ANO FISCAL 2015 POR COMPONENTE E PROPÓSITO DE DESPESA

FUNDO COMUM					
Sub-Programa de Governo (Componentes)	ANO FISCAL 2015				
	Fundo Comum	PNUD	DNAL	Total Orçamento 2014	%
1. Sistemas Nacionais de Suporte	32,956,194	3,352,320	2,534,400	38,842,914	57%
2. Planificação Descentralizada	-	0		0	0%
3. Execução e Gestão do Plano	7,529,657	0		7,529,657	11%
4. Controlo Interno e Externo	4,000,000	0		4,000,000	6%
5. Gestão de Conhecimento	5,341,775	973,200		6,314,975	9%
6. Gestão do Programa	11,351,464	0		11,351,464	17%
Total MZM	61,179,090	4,325,520	2,534,400	68,039,010	100%
Câmbio de Orçamento	32.00	32.00	32.00		
Total USD	1,911,847	135,173	79,200	2,126,219	

Tabela 4: CONTRIBUIÇÃO EM ESPÉCIE - GIZ E PNUD

PERÍODO: 2010 A 31 DE DEZEMBRO DE 2014

Financiadores	Valor USD
1. GIZ	7,735,774
2. PNUD	3,620,019
TOTAL	11,355,793

Apêndice 2: Matriz Monitoria & Avaliação

Indicador	Percentagem de realização
Componente 1	
Número de distritos que recebem a última versão disponível dos <i>dossiers</i> dos processos distritais e manuais de implementação.	100%
Grau de desenvolvimento e operacionalização do sistema de monitoria dos processos distritais.	100%
Número acumulado de formadores provinciais reconhecidos por instituições competentes na matéria relevante relacionada com PNPF ¹ .	400%
Componente 2	
Número de distritos com o seu PESOD aprovado e disseminado de acordo com os critérios seleccionados da metodologia para a elaboração do PESOD ¹ .	96%
Número de distritos com Conselhos Consultivos Locais que operam cada ano de acordo com o critérios seleccionados da legislação em vigor ¹ .	53%
Componente 3	
Número de distritos com todos os processos administrativos fechados no <i>e-SISTAFE</i> no fim do exercício económico ¹ .	83%
% de contratos de <i>procurement</i> em obras públicas implementados pelos distritos, que receberam visto ou Anotação do Tribunal Administrativo.	123%
Número de técnicos distritais devidamente integrados na função pública, com respectivos salários previstos no orçamento de funcionamento da instituição (com base em postos seleccionados pré-financiados pelo Programa Nacional).	116%
Número de distritos com o crescimento anual de pelo menos 10% nas receitas arrecadadas e registadas no <i>e-SISTAFE</i> ¹ .	39%
Componente 4	
Número de distritos que enviam anualmente a sua conta de gerência ao Tribunal Administrativo de acordo com a legislação em vigor ¹ .	68%
Número de distritos com auditoria externa de regularidade realizadas anualmente.	108%
Número de distritos que informam os Conselhos Locais sobre os resultados da acção de controlo interno e externo ¹ .	25%
Componente 5	
Página Web no portal do Governo (MPD) actualizado pelo menos 3X por ano com as boas práticas e relatório do desempenho dos processos distritais.	100%
Número de distritos que praticam pelo menos três boas práticas em Planificação e Finança Descentralizadas	126%
Número acumulado de boas praticas identificadas, documentadas e disseminadas.	100%
Componente 6	
Proporção dos documentos de planificação, monitoria e avaliação do PNPF ¹ submetidos atempadamente.	100%

¹ Este indicador derivou da alteração ocorrida em Setembro de 2013, passando os formadores a serem reconhecidos pelas instituições formadoras e não pelo IFAPA.

ⁱⁱ Embora os dados colectados correspondam a 96%, relatórios anuais dos Governos Provinciais indicam que 100% dos Distritos cumprem com esse indicador. Até 30 de Junho todos os 128 distritos haviam aprovado o seu PESOD com base nos critérios estabelecidos.

ⁱⁱⁱ Nos termos da Lei nº 8/2013, de 19 de Maio (LOLE), os Conselhos Consultivos Distritais devem ter na composição 30% de participação de Mulher. No entanto, esta % não tem sido uniforme nos Conselhos Consultivos de Posto Administrativo e de Localidade, pondo em causa a meta de 30% prevista.

^{iv} Trata-se duma meta processual.

^v Trata-se duma meta não consensual desde a fase de desenho. Na implementação, constatou-se a interferência de vários factores de ordem legal e de cultura de registo e declaração de receita que condicionaram o cumprimento do indicador. Este indicador pode derivar em acções para eventual intervenção num Projecto futuro, ou seja é de recomendar um estudo independente para aprofundar esta questão.

^{vi} A meta alcançada (73 distritos) não esta longe da meta prevista (110 distritos).

^{vii} Este indicador não está em conformidade com a legislação em vigor. A sua implementação é dependente muitas vezes da boa vontade de cada entidade.

Annex 6: Stakeholder Workshop Report and Results

Introduction

A workshop to review the draft ICR was held on December 9, 2015, in Avenida Hotel in Maputo, Mozambique. Participants included representatives from the main implementing agency MEF (formerly MPD), other line ministries and national agencies involved in the preparation and implementation of the NDPFP, several provincial governments, as well as three development partners that co-financed the project (see the full list of participants below). The workshop started with an opening by MEF and a presentation on the key findings of the draft ICR by the Bank, which were followed by an open discussions during which representatives from government and development partners shared their feedback on the draft ICR.

Comments received from the Government

The feedback on the draft ICR from the government was positive overall. Participants expressed their general satisfaction with the report and confirmed that it adequately captures the preparation and implementation experience, achievements, and lessons learnt of the project at both the national and sub-national levels. Specifically the following comments were provided:

- Representatives from *MEF* thanked the Bank team for carrying out a candid evaluation and for the close interaction with the government during preparation of the draft ICR. They highlighted that the draft ICR already included previous comments from MEF and that they fully agree with its findings and conclusions. They asked the Bank team to include in the annexes of the ICR the full text of the government's Project Completion Report in Portuguese in addition to the summary in English.
- The representative from the *Administrative Tribunal* emphasized that the legal mandate of the AT includes the surveillance and audit of the legality of public expenses and revenues, in particular through prior review of contracts. He explained that Article 8 of Decree 15/2010 stipulates the possibility for projects financed by multilateral sources to use norms different from the national procurement rules, when the adoption of these norms is explicitly stated in the financing agreement and authorized by the Minister of Finance. Moreover, the granted exceptions need to be clearly include in any tender documentation used under the project that was granted different procurement rules. However, even when different procurement rules are adopted, the prior approval of the AT still has to be obtained before signing contracts surpassing the established national thresholds. In these cases, the AT checks the exception of rules granted and reviews the process based on them. If the special norms that were authorized by the Minister are not explicitly stated in every single request submitted to the AT for prior review, the AT has to reject the request asking for required revisions and a revised package needs to be resubmitted as the AT is not allowed to grant conditional approvals. This process may be repeated several times until the AT receives all appropriate documentation required for prior review. The representative from AT concluded that, in many cases, inadequate preparation of the documentation for prior review requests is hence responsible for significant delays in receiving AT approval for procurement processes.
- Representatives from the *Provincial Governments* thanked for the report highlighting that it adequately reflected their experience during project implementation overall. They did, however, point out that when the project was first presented to them the use of national

systems was underlined and they were surprised when they found out during implementation that additional requirements from the World Bank applied as well. They also criticized that the MTR came too late in project implementation as to have sufficient time afterwards to effectively implement adjustments. Lastly, they noted that the SMOdd is not yet completely functional/ being used to the fullest extent in all districts without external technical support as some local administrations still face capacity-related challenges to use all modules of the system.

Comments received from the Development Partners

The representatives from GIZ, the Irish Development Cooperation, and UNDP thanked the Bank team for a frank assessment and a well-written, comprehensive ICR. Overall, they agreed with the storyline and assessment of the draft ICR, but provided several factual clarifications and precisions. Specifically, their comments were the following:

- The representative from **GIZ** explained that, after project closing of the NDPFP, GIZ continues to provide support to decentralization in Mozambique through the implementation of a technical cooperation program to strengthen financial management capacities of districts and municipalities in the provinces for which Germany has provided long-term support. In addition to the advisors in the provinces, this program also finances advisors at the national level. In this regard, GIZ clarified that it does not only continue to support an advisor to the Ministry of Public Works, but is also financing advisors to the AT, the MAEFP, and for the internal control institutions.
- The representative from **UNDP** commented that the DFPF-Centro was only one of several initiatives that supported capacity building at the district levels and its role as predecessor of the NDPFP should hence not be overstated in the ICR. She clarified that the first project to support district development was the pilot project in Nampula financed by UNCDF and UNDP, with support from the Netherlands, which was later replicated by other donors, including the Bank-financed DFPF-Centro. Similarly, with regards to donor coordination, she also pointed out that the leadership of the development partner group rotated during implementation and the role of the other development partners should be recognized in the ICR, not only GIZ who coordinated the group during the last year of implementation. Lastly, she commented on the lessons learnt regarding donor coordination and the use of national system. She pointed out that donor coordination was often slowed down by internal procedures and requirements of each development partner and suggested to explore to what extent internal fast-track measures could be used going forward to speed up preparation of coordinated projects. Finally, she suggested that future projects could include some type of contingency funds to be used to resolve possible bottlenecks that may arise regarding national systems on an as-needed basis.
- The representative from the **Irish Development Cooperation** reiterated the clarification regarding the rotating leadership of the development partners group during project implementation. He also explained how the use of the national financial management system (e-SISTAFE), while being important, also led to challenges in project implementation as it sometimes caused temporary liquidity problem at the district level, in particular in those districts where e-SISTAFE was only made operational during project implementation. Further, he reaffirmed that the completion and roll-out of the SMOdd is

one of the major achievements of the program, but expressed his concerns regarding the sustainability of the system remarking that the final national report for 2014 from SMO-DD is still not available, while it used to be available much earlier in the year when the NDPFP was still under implementation. Regarding the implementing agencies, he agreed with the overall satisfactory performance but also pointed out that the ownership and performance of the provincial governments in project implementation varied across the country. Some provincial governments seemed to have been more interested in receiving material benefits offered by the program (such as vehicles) than providing oversight of implementation of the technical assistance activities, evidenced by a lack of documentation of regular meetings of the CdSP in some provinces. Lastly, with a view to future district development support projects, he suggested to take a closer look at the lessons learnt regarding the technical assistance provided by the NDPFP (referencing the evaluation of the technical assistance carried out during MTR), to understand how the activities contributed to improve capacity at the local level and how its effectiveness and impact at provincial and district level could be further improved in a future program.

List of Participants

Ministry of Finance and Economy (MEF)

Paula Corda, MEF-DNPO
Arsenio Filipe Chiluvane, MEF-DNPO
Nicol Mouco Mangora, MEF-DNPO
Araceli Carmen, MEF-DNPO
Anselmo Zimba, MEF-DNPO
Helena Maria Francisco, MEF- UFSA

Ministry of State Administration and Public Function (MAEFP)

Maria de Fatima Manjate, MAEFP
Miguel Mocuba, MAEFP
Maria Crossbane, MAEFP

Ministry of Land, Environment and Rural Development (MITADER)

Jaime Luis, MITADER
Deodete Chachuaio MITADER - DNDR

Administrative Tribunal

Jose Maduela, Tribunal Administrativo

Provincial Government Institutions

Edson de Brito, DPPF - Cabo Delgado
Frederico Siteo, DPPF - Cabo Delgado
Lucas Jose Jackson, DPEF - Manhica
Ernesto Ualaia, DPEF - Nampula
Vicente Paulo, DPEF- Nampula
Rita Jacinto Cavele, DPEF - Gaza
Carlos Munguambe, DPPF - Gaza

NDPFP Partners

Katharina Huebner, GIZ

Sonia Chone, GIZ

Inocencio Macuacua, Irish Aid

Fatima Amade, UNDP

World Bank

Andre Herzog

Bontje Zangerling

Louis Helling

Adrienne Acioly

Julia Oberreiter

Annex 7: List of Supporting Documents

Project documents

Project Concept Note, June 2008

Project Appraisal Document, March 4, 2010

Mozambique Country Partnership Strategy, April 24, 2007

Financing Agreement, May 11, 2010

Mozambique Country Partnership Strategy, February 28, 2012

Midterm Review, September 2013

Aide memoires

Implementation Support Reports, 10 total from June 2010 to July 2015.

Semi-annual progress reports prepared by the MPD (later MEF) based on input from the regional and district administration.

Financial audits.

Annex 8: Glossary of Key Systems and Institutions

SMoDD. District Performance Monitoring System. This is a web based system through which districts record their performance across a range of areas critical for district development. Indicators cover processes, such as when consultative forums are held, and results, such as the number of children enrolled at primary school.

PESOD. District Economic and Social Operational Plan and Budget. This is the annual plan and budget that districts prepare to implement their five-year district strategic development plan. It covers all areas of district development, including agriculture, health, education, infrastructure, and income-generating activities.

e-SISTAFE. This is the integrated financial management information system. It contains modules on budget execution module, budget formulation, revenues, payroll and assets management.

Administrative Tribunal. This is the supreme audit institution of Mozambique. It also plays a role in overseeing public procurement, a legacy of its history as a Portuguese colony.

District consultative council. Also known as district councils, these are legally mandated bodies that operate at three levels of government: district headquarters, localities, and administrative posts. They are required to have a minimum number of members, 30 percent of whom are female. Members must also represent diverse groups, including youth, seniors, and the disabled. They are required to hold two meetings a year, one to discuss and agree on district priorities and one to review performance in executing the district social and economic plan and budget.