UNDP's DECENTRALIZATION AND LOCAL DEVELOPMENT PROGRAMME IN MOZAMBIQUE

EVALUATION REPORT

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EXECUTIVE SUMMARY

Since the mid-1990s the United Nations Development Programme (UNDP) has been supporting the Government of Mozambique (GoM) to build capacity for decentralized planning and local economic development. In 1998 UNDP in collaboration with the United Nations Capital Development Fund (UNCDF) launched a project on decentralization and local economic development in Nampula Province. The project focused on strengthening the capacities of provincial and district administration to engage in decentralized planning, budgeting and economic development. In 2003 UNDP/UNCDF started replicating the project in Cabo Delgado Province and then in 2007 a seperate but related project was introduced in Gaza Province at the request of the Provincial Governor. The project evolved into a full programme on decentralization and local development with two interrelated components: Local Economic Development (LED) Support and Decentralized Planning and Budgeting.

The UNDP Country Programme Action Plan 2007-2009 (CPAP) and its extension CPAP 2010-2011 outlined specific interventions and expected outputs as well as outcomes of the Decentralization and Local Development Programme. The Programme was expected to deliver strengthened capacities of state institutions to engage in decentralized planning and budgeting as well as to efficiently promote local development. UNDP is working with and often through the Ministry of State Administration (MAE) and the Ministry of Planning and Development (MPD) to implement the Programme.

This evaluation was commissioned by UNDP to assess the extent to which UNDP's support has contributed or is contributing to the building of capacity for decentralization and local development in Mozambique. The evaluation focused the outcomes of UNDP's programmatic interventions with emphasis on successes or best practices, factors that may have affected the attainment of outcomes, lessons learned and recommendations for future programming. It covered the period since 1999 to mid-2011. The outcome of the programme was evaluated in terms of relevance, efficiency, effectiveness, partnerships and sustainability. A rating of 1-5 (1 is for very low and 5 for very high score) was used to determine or assess the programme delivery for each of the five aspects.

The evaluation began with a review of various documents including previous evaluations' reports, government policy and legal documents, UNDP project reports, research-based studies and working papers, and UNDP programme documents such as CPAP and project proposals. This was followed up by interviews with stakeholders (including government officials, donors and UNDP staff) in Maputo, Gaza and Nampula provinces. Focused group discussions were held with civil society organizations in Gaza and Nampula, and a stakeholders' workshop was held in Maputo to discuss draft report of this evaluation. Below are findings and recommendations of the evaluation.

Overall Findings of the Evaluation

UNDP's interventions have significantly contributed to the strengthening of the capacities of state and non-state institutions to engage in decentralization and local economic development processes in Mozambique. UNDP is considered by many officials of GoM, and many donors and civil society groups as a very important institutional player in promoting decentralization

and local economic development in Mozambique. It has been instrumental in the development of Mozambique's national policy, legislation and programme on decentralization. The draft National Policy and Strategy on Decentralisation in Mozambique published in 2010 by GoM explicitly recognises the role of UNDP in stimulating decentralization practice and its decentralised planning and financing project in Nampula being a major source of evidence for policy-making.

UNDP's contributions to the promotion of decentralization and local development in Mozambique are really in building institutions—both normative and organizational. It has supported the creation of new agencies e.g. the Namialo centre for technology transfer and the Namaita centre for training in public administration and local governance. The conceptualization and introduction of Consultative Councils (CCs) for local planning and governance, and the building of capacities of members of CCs are also attributed to UNDP's support. The CCs are innovative institutional arrangements that UNDP's support helped to introduce in Mozambique

Specific Findings and Recommendations

1. UNDP's programme has contributed to the building of institutional (both normative and organizational) capacity for participatory planning, budgeting and local economic development in Nampula, Gaza and Cab Delgado provinces in Mozambique. It has also contributed to the transformation of local economies in these provinces. On the whole, UNDP has promoted decentralization for economic development. However, its focus on governance challenges such as fighting corruption, building broad-based political ownership of decentralization, strengthening the judiciary at provincial and district levels, and promoting access to information and environmental justice has been scanty.

Recommendation 1.1 It is recommended that future UNDP's programme should explicitly focus on addressing challenges of democratic governance as part and parcel of decentralization. UNDP *should promote decentralization as a means to state building* in Mozambique. Its future projects should focus on such aspects as promoting the decentralization of judicial services, and entrenchment of provisions on human (including social and environmental) rights into legislation and district development plans.

2. UNDP's programme and projects on decentralization and local development are not guided by a specific conceptual framework and thus lack coherence. In the absence of a conceptual framework UNDP is unlikely to build greater synergies among projects. It will also not be able to effectively link practice and policy.

Recommendation 2.1 UNDP needs to develop a clear conceptual framework to guide and to better organize its projects or interventions. If it develops a good conceptual framework it will be able to increase its ability to harness lessons and information from its field-based activities to inform policy at national level.

3. UNDP has been instrumental in stimulating and informing various policy processes on decentralization and local economic development in Mozambique. However, a large portion of its support has been to downstream operational activities in the provinces and districts. Given that now policy and legislation exist, and there is a large body of practical knowledge accumulated from many years of investment,

Recommendation 3.1 It is recommended that UNDP should increase focus on and support to high-level upstream policy advice and advocacy with more emphasis on policy implementation, monitoring and evaluation. The new UNDAF 2012-2015 emphasizes the importance of increasing focus on upstream policy issues and processes.

4. The long-term success and sustainability of decentralization in Mozambique are to a large measure dependent on political will from political parties, legislature's oversight and the capacity of the judiciary to administer justice in districts and municipalities. The legislature and judiciary are not actively engaged in the decentralization discourse and practice.

Recommendation 4.1 It is recommended that UNDP should develop a special initiative on strengthening legislature's and judicial participation in decentralization. Such an initiative may comprise of parliamentary and judges' training workshops on decentralization policy and practices.

5. There is relatively little comparative analysis or studies on the state of decentralization and local economic development between provinces in Mozambique. Over the past decade or so UNDP has not undertaken adequate critical and comparative analysis of factors that determine or influence processes of decentralization and economic development in the provinces.

Recommendation 5.1 It is recommended that UNDP should invest more in comparative analytical studies on the quality and impact of decentralization and local development in the country. It should partner with national universities and research institutes to conduct comparative research and analysis in order to build a body of evidence and knowledge for the benefit of Mozambique.

6. There is little documentation and dissemination of information on activities, outputs and outcomes of decentralization and local development programmes and project across the country, including activities by donors and the national decentralization and local development programme of GoM.

Recommendation 6.1 UNDP should consider designing and producing a newsletter or policy briefs on decentralization and local development. This may strengthen coordination of different activities or efforts as well as share experiences among different levels of government.

7. There are inadequate intra-UNDP programmatic unit linkages. There is less interaction and synergy between the Programme on Decentralization and Local Development and other programmatic areas or Units within the UNDP CO.

Recommendation 7.1 UNDP should leverage its knowledge assets across units in the CO as well as create synergies across units. Inter-units' joint project design and implementation and working in the same provinces and districts should be encouraged in order to build or increase synergies.

8. Some of the projects of the Programme do not have clear, achievable and measurable results. In some cases projects' objectives and results were very ambitious and unachievable within timeframes and with available resources.

Recommendation 8.1 It is recommended that *UNDP should first assess its Results Chain and causality linkages, indicators, baselines and targets in order to determine achievability of results.* It should further *assess M&E systems and capacities, and strengthen M&E capacities within units*. UNDP has invested in training staff in M&E and for the knowledge and skills to utilised fully there is a need to be followed up to ensure that appropriate M&E considerations are integrated in project design and execution.

9. The implementation of some of the projects was slowed by delays in the disbursement of funds and recruitment of staff and consultants.

Recommendation 9.1 UNDP needs to review or assess its systems and capacities for providing administrative and financial services to programme. Based on the review or assessment, it should institute measures for improving service delivery and in particular fastening disbursement of funds and recruitment of staff and consultants for projects. However, UNDP should not compromise its good procedures because of weak capacities of its implementing partners. Where necessary, UNDP should develop the capacities of its partners so that they can understand and adhere to its procurement policies and procedures.

10. The participation of civil society organizations (CSOs) and private sector in direct programme implementation has generally been low, particularly in Gaza Province. CSOs in general and NGOs in particular are weak in Mozambique. They tend not to possess requisite programme and financial management capacities. Private sector is largely concentrated in Maputo and urban areas with limited presence in rural areas where local economic development is taking place. In addition, the low level of CSOs and private sector participation in the implementation of the programme has to do with the absence of UNDP's strategic engagement with these groups.

Recommendation 10.1 UNDP should seek to engage civil society and private sector more directly in the execution of decentralization and local development projects. UNDP has started implementing a number of activities to strengthen civil society participation in decentralized planning and budgeting as well as CSOs' capacities for monitoring and evaluation of decentralization and local development activities. A new 4 year project on strengthening CSOs will be launched in 2012 and UNDP should take advantage of this and make sure that CSOs become key players in the implementation of its future decentralization and local economic development projects.

11. UNDP has not actively engaged other UN agencies and programmes in the design and implementation of joint projects on decentralization and local development in Mozambique. Apart from working with FAO to integrate climate change and agriculture issues in district planning in Gaza Province, UNDP is not working with other agencies to promote decentralization and local development. This is mainly most of UN organizations in Mozambique have tended to concentrate their activities in Maputo and have little presence in other provinces and districts.

Recommendation11.1 It is recommended that UNDP involves other UN bodies in the next cycle of programming on decentralization and local development. UNDP should more actively engage other Mozambique-based UN agencies in its decentralization and local development projects. This will enable UNDP and the UN team as a whole to draw on each

other expertise and experiences and thus build synergies to exploit economies of scale. UNDAF provides a framework for developing joint activities and synergistic relationships.

EVALUATION METHODOLOGY

This evaluation was to determine whether and extent to which the CPAP outcomes on decentralization and local development have been achieved. The evaluation was to identify and document any best practices and lessons learned from or during the last 12 years of UNDP's engagement in and support to decentralization and local development in Mozambique. It will identify specific impacts that UNDP's support has generated and identify challenges that should be addressed to maximize impact. Emphasis was placed on the efficiency, effectiveness, appropriateness, relevance, and sustainability of UNDP's interventions. The outcome evaluation specifically focused on the following:

(a) Whether UNDP's Decentralization and Local Development programme was appropriately designed and is relevant to the country priorities and needs;
(b) Identify specific outputs generated as a result of UNDP's interventions and support to Government's decentralization and local development activitie;
(c) Assess whether and the extent to which UNDP's support has contributed to the development of national and local capacities for local participatory planning, resource mobilization and management, and local governance;
(d) Assess whether issues of gender, protection of human rights and other governance issues have been appropriately mainstreamed in the implementation of UNDP's programme and related projects;
(e) Determine the sustainability of benefits and/or impacts generated through UNDP's interventions;
(f) Identify challenges that UNDP has experienced in implementing decentralization and local development programmes and projects in the country;
(g) Make specific recommendations and suggestions for improving UNDP's future interventions and support to decentralization and local development under UNDAF/CPD 2012-2015.

Guiding Principles and Evaluation Methodology

The evaluation was guided by UNDP Guidelines for Outcome Evaluators. Emphasis was placed on first and foremost ensuring that both UNDP and the evaluator have and maintain consistence in the interpretation of the terms of reference. The evaluation was evidence-based, objective and thoroughly analytical to ensure that it provides an accurate judgement of whether the outcome has been attained, and the specific impact(s) and outputs of UNDP.

The evaluation was conducted by:

(a) Reviewing relevant programme and project documents, programme implementation progress reports, previous reviews of the CPAP and the programme, reports to donors, and other documents provided by UNDP. Other documents such as UNDAF, government and other stakeholders' reports on decentralization and local development in Mozambique were also reviewed.
(b) Designing a succinct evaluation instrument, more specific guide for conducting interviews. The guide or framework contained specific questions that enable the evaluation to gather empirical evidence on the (a) status of the outcome—extent to

which the Outcome has been attained; (b) factors affecting the realization or attainment of the Outcome; (c) contributions that UNDP has made to attain the Outcome; and (d) the nature, quality and effectiveness of partnerships that UNDP established with Government and other institutions, and whether UNDP has used the partnerships in order to achieve the Outcome.

(c) Conducting face-to-face interviews of carefully selected key informants from UNDP's partners in central and local governments, civil society, UN agencies, donors, NGOs and other stakeholders that were involved in the design and implementation of decentralization and local development programme(s). At least two of the three provinces were visited to interview municipal and district official and other stakeholders;
(d) Holding focused group discussions with UNDP staff in the provinces, members of the CC in Gaza Province and representatives of CSOs in Nampula Province;
(e) Conducting telephone and e-mail interviews with UNDP staff;;
(f) Conducting data analysis or evidence analysis continuously throughout the evaluation exercise. UNDP staff, partners and some of relevant Government departments were given the opportunity to review and provide comments on the first draft of the report and to supply further relevant information, which was taken account of in the finalizing report; and
(g) Holding a stakeholders' workshop in Maputo to discuss the draft report and to solicit additional evidence or information for the finalization of this report.

Evaluation Criteria

The programme outcome was evaluated in terms of:

a. *Relevance:* whether the programme and its the projects has/is strengthening decentralization and local development in Mozambique as and whether UNDP's interventions are still relevant after 12 years;
b. *Effectiveness*: whether UNDP has provided the support effectively, including being efficient in the use of its technical and financial resources
c. *Impact:* what (positive and negative) changes to decentralization and local development in Mozambique can be attributed to UNDP's programmatic interventions, or what visible and desirable and undesirable results have been or are being generated by UNDP's support?
d. *Sustainability***:** are the target institutions—particularly in central and local governments—capable of carrying out the functions currently performed by UNDP Mozambique? and second, are the changes that the programme has generated or stimulated sustainable or irreversible?

1. BACKGROUND

1.1 Mozambique's Economic and Human Development: An Overview

Mozambique is experiencing rapid economic and political transformation since the signing of the General Peace Agreement in 1992. The country has emerged from 16 years of civil war, political instability, and economic exclusion. It is now "viewed as one of Africa's most successful stories of post-war reconstruction and economic recovery."[1] On the political front,

[1] UNDAF (2006), 'United Nations Development Assistance Framework-Mozambique', p. 10. United Nations Country Team.

Mozambique has successfully held four parliamentary and presidential elections. It is a relatively politically stable country.

The country's economy has grown considerably over the past decade or so. Average real Gross Domestic Product (GDP) has grown from 0 percent in 1992 to about 8 percent in 2009. The significant economic growth is attributed to political stability and peace, increased external or international aid, increased Foreign Direct Investment (FDI), and favourable macroeconomic policies. In 1999 and 2001 Mozambique received two international debt relief under the Highly Indebted Poor Countries (HIPC) arrangement. This reduced its external debt substantially.

Agriculture is the main economic activity or sector for GDP growth in Mozambique. However its performance has been relatively low compared to its expected potential. "Between 1996 and 2003 its output contribution to GDP fell by 6 percentage points (to 27 percent), and its share of employment in the total labor force fell by 8 percentage points."[2] The sector's low productivity and contribution to GDP growth are associated with a range of factors including low investments in technological change, ambiguous land tenure that encourages small-scale subsistence farming, drought and in some areas sporadic floods, and generally the absence of a good national strategy for modernizing agriculture.

Mozambique has attracted substantial FDI over the past fifteen years or so. "FDI inflows increased from an average of 1.5 percent of GDP in 1993-98 to an average of 5.2 percent of GDP in 1999-2010. In 2009 and 2010 FDI reached an estimated $900 million, about 9 percent of GDP. A large part of these inflows has funded large investment projects in the mining sector, underpinning recent export performance in Mozambique."[3] However, large investment projects in the mining sector have not made substantive impacts on economic growth of the country. Foreign-owned capital intensive companies have "made only a small contribution to job creation, tax revenue, use of domestic intermediate inputs, and profit investment in Mozambique."[4]

The Government of Mozambique has undertaken various social, economic and political reforms to spur economic growth and human development. In 2001 it adopted the first national Poverty Reduction Strategy Paper (PRSP 2001-2005, also referred to as PARPA). The PRSP set to promote the attainment average annual economic growth rate of 8 percent, reconstruction and development of physical infrastructure, development of human capital through education and training, and provision of social services mainly health.

The second PRSP 2006-2009 (PARPA II 'Action Plan for the Reduction of Absolute Poverty') was approved by Cabinet in May 2006. Its overall goal was to reduce the incidence of poverty from 54 percent in 2003 to 45 percent in 2009. It put emphasis on the same priorities that were articulated in the PRSP 2001-2005—"human capital development through education and health, improved governance, development of basic infrastructures and agriculture, rural development, and better macroeconomic and financial management."

[2] Nucifora, A. And Pereira da Silva, L. (2010), 'Rapid Growth and Economic Transformation in Mozambique, 1993-2009, p.65.
[3] Nucifora, A. And Pereira da Silva, L. (2010), 'Rapid Growth and Economic Transformation in Mozambique, 1993-2009 p.66.
[4] Nucifora, A. And Pereira da Silva, L. (2010), 'Rapid Growth and Economic Transformation in Mozambique, 1993-2009 p.70.

The country has experienced high economic growth averaging 8 percent per year since the year 2000s, making it one of the fastest growing non-oil economies in Africa. However, the growth has not stimulated significant changes in human development. Mozambique remains one of the poorest countries in the world. According the UNDP Human Development Report 2010, between "1980 and 2010 Mozambique's HDI rose by 1.3% annually from 0.195 to 0.284 today, which gives the country a rank of 165 out of 169 countries with comparable data. The HDI of Sub-Saharan Africa as a region increased from 0.293 in 1980 to 0.389 today, placing Mozambique below the regional average."[5] Poor or slow human development remains Mozambique's greatest challenge—the threat the economic growth, political stability and social cohesion.

Human underdevelopment is vivid in Mozambique's rural areas. Though statistics on the distribution of poverty are scanty, between 1996 and 2003 poverty incidence "has declined remarkably (28 percentage points) in the central region, but also considerably in the north (11 percentage points). In the south, there has been very little change (less than one percentage point)...while there was only a marginal reduction in Inhambane and Gaza provinces."[6]

Mozambique suffers from recurrent droughts particularly in semi-arid areas and is also prone to floods. Due to poor health and sanitation facilities cholera outbreaks are common in the country. Other health challenges particularly high prevalence of HIV and AIDS, tuberculosis and malaria undermine prospects of human development. According to PARPA II: "One of the issues of greatest concern for the Mozambican economy is the high rate of HIV/AIDS prevalence. The latest estimates indicate that 16 percent of the population aged 15-49 is serum-positive, i.e. 1.5 million Mozambicans are living with HIV/AIDS...Beyond the human implications of this pandemic, and the disease will have a negative impact on the economy..."

PARPA II states that governance "is an extremely important element in the reduction of absolute poverty. Poverty is not just a lack of material resources, but a lack of access to services. It also means exclusion from decision-making, lack of participation, greater exposure to abuses by civil servants, less protection from crime, and an absence of appreciation in property values." It identifies decentralization and de-concentration as key to good governance. The Plan outlined a wide range of strategic actions or interventions. These included actions to "decentralize government functions down to the district level, thus entailing budgetary repercussions, in order to facilitate local development", and "work to see that investments and State Budget resources are distributed nationwide in a balanced fashion."

History and Institutions for Decentralization in Mozambique

Decentralization is about or entails the transfer of resources, authority and responsibilities for public functions from central government to lower levels of governance e.g. provinces, districts, municipalities and villages. It is a non-linear, non-deterministic and complex process. Decentralization is not apolitical. It involves politics and public policy-making by many stakeholders—both state and non-state actors.

[5] http://hdrstats.undp.org/en/countries/profiles/MOZ.html accessed August 5 2011
[6] Virtanen, P. and Ehrenpresis, D., (2007), *Growth, Poverty and Inequality in Mozambique*. Country Study No. 10. International Poverty Centre.

There are many reasons as why countries invest in and donors support decentralization. These include the promotion of local development and poverty reduction, building democratic governance by diffusing political and administrative powers as well as ensuring citizen's participation in decision-making and development practices, and promoting social inclusion. Much of the decentralization which has taken place in the past decade has been stimulated by political concerns and transitions, for example the replacement of autocratic regimes with elected governments and the spread of multiparty politics. In some countries

Decentralization was started in Mozambique mainly to strengthen the State. "According to sources from the Ministry of State Administration (MAE), the original theoretical base behind the de-centralisation process in Mozambique was geared towards strengthening the State via the creation of citizenship from below. Individuals would no long be just people, but citizens via their participation in the smallest administrative units called municipalities. The aim here was to create the State from below."[7] This view has been echoed by many researchers on decentralization in Mozambique. For example, Sitoe and Hunguana (2005) state: "in the existing conditions in Mozambique a sound and vigorous process of political and administrative decentralisation plus a coherent and well thought out and balanced policy of fiscal decentralisation are the main routes towards sustainable peace-building in the country."[8]

Since 1992 a wide range of legislative, policy and administrative measures have been put in place to promote decentralization in Mozambique. These include:

- Law Number 2/94 that provided for the gradual establishment or creation of municipalities with administrative and financial autonomy, with legislative and executive bodies directly elected by local communities;
- Law Number 9/96 that led to the inclusion of local government as a legitimate body into the country's Constitution, "thus establishing the coexistence of the local organs representing the central authority of the State and the local government arising out of the choice of communities in the same territorial units."[9]
- Law Number 2/97 defining the legal framework for establishing Municipal Government and its functions, and nature of its sovereignty;
- Law Number 09/02 on SISTAFE - *Lei do Sistema da Administração Financeira do Estado* - gives provinces more autonomy
- Law Number 8/2003 on *Local State Organs (LOLE)* which defines local administrative units of state gave the districts powers to plan, budget and implement local initiatives (district as "budgetary unit").

In 1996 the country's Constitution was amended to provide for the creation of 33 urban municipalities and since 1998 municipal elections have been held every five years. Decentralization is entrenched in the 2004 Constitution. Articles 271 to 281 of the Constitution are about the establishment and operations of local authorities. Article 271 paragraph 1 lays out the objectives of local administration. It states: the "objective of local

[7] Sitoe, E. And Hunguana, C. (2005) 'Decentralisation and sustainable peace-building in Mozambique: Bringing the elements together again.' Research Paper Prepared for the WKOP Project, CEDE.
[8] Sitoe, E. And Hunguana, C. (2005) 'Decentralisation and sustainable peace-building in Mozambique: Bringing the elements together again.' Research Paper Prepared for the WKOP Project, CEDE.
[9] Sitoe, E. And Hunguana, C. (2005) 'Decentralisation and sustainable peace-building in Mozambique: Bringing the elements together again.' Research Paper Prepared for the WKOP Project, CEDE.

administration shall be to organise the participation of citizens in solving the particular problems of their community, to promote local development, and to promote the deepening and the consolidation of democracy, within the framework of unity of the Mozambican State."

Various laws have been enacted to promote decentralization and local development. These include Legislation for Public Financial Management (*Lei do Sistema da Administração Financeira do Estado - or SISTAFE - Lei 09/02*) that provides the overall framework for decentralised planning and public financial management at provincial and district levels. In 2010 the National Decentralised Planning and Finance Programme was launched by the Government of Mozambique. Through the Programme the Government aims at mainstreaming decentralised and participative planning methodologies and processes throughout the country at provincial and district levels.

The Law 8/2008 gives districts power to plan, budget and implement local initiatives (district as budgetary unit). The decision of the government that the district must be the unit on which is centred actions to combat poverty shows the need to reinforce the alliances and partnership in development. Districts have also been established as "budget entities'' and in the 2006 budget they have been given a budgetary allocation of approximately $300,000 per district initially for infrastructure projects and later ti include support to local economic development. Such projects have to be prioritised through a participative planning process and approved by District Consultative Councils made up of community representatives.

There are many State and non-State institutions involved in decentralization and local development in Mozambique. The main State institutions directly involved in managing decentralization and local economic development are the Ministry of State Administration (MAE) and the Ministry of Planning and Development (MPD). Other ministries such as the Ministry of Health, Ministry of Science and Technology, Ministry of Works and Housing, Ministry of Finance, and the Ministry of Public Service. Each of these institutions is engaged in activities related to decentralization in the country. They are sources of various capacities for promoting decentralization and local economic development. However, they have tended to take a sector approach to planning and practices. Coordination of their activities is one of the key challenges in the decentralization of planning and local development in Mozambique.

In addition to the State institutions, there are a growing number of donors and international organizations supporting decentralization and local economic development in Mozambique. Donors include the World Bank, the governments of Italy, Ireland, the Netherlands, Brazil, Norway, Sweden, Denmark, Ireland, Spain, Austria, Germany, and Switzerland. International organizations include the United Nations Development Programme (UNDP) and the United Nations Capital Development Fund (UNCDF). Just as with State institutions, coordination of the activities or support of donors has been challenge although major efforts have been made in the recent past to improve it through frequent meetings and sharing of information.

Civil Society Organizations (CSOs) and particularly Non-Governmental Organizations (NGOs) are also involved in decentralization and local development programmes in Mozambique. The CSOs are engaged in various policy processes and development activities including in areas such as promoting the prevention of HIV/AIDS, micro-enterprise development, environmental conservation, education and agriculture. Some CSOs such as FORUM Terra have been involved in policy advocacy and processes for the development of

national and local development plans. However, CSOs in Mozambique are relatively small and lack clear coordination structures. They have relatively weak links to State led programmes.[10] In general, they have weak capacities to manage large projects.

Key Challenges in Decentralization and Local Development

The processes of decentralization and local economic development in Mozambique are complex in a variety of ways. First, as in any other country, decentralization and related economic development are highly politicized.[11] In a 2005 paper Barnes observed: "the issue of decentralization is, as in many countries, rather a political hot potato in Mozambique. A regional analysis of voting patterns in the first two multi-party elections in Mozambique show that had decentralized forms of Government existed, then the ruling FRELIMO party may have lost control of up to 6 of Mozambique's 11 provinces. Thus, the Government has taken an overtly "gradualist" approach to...decentralization of both functions and responsibilities and public expenditure."[12]

Decentralization is dependent on and largely influenced by the interests of the political parties. While a number legislative instruments for promoting decentralization and local economic development now exist in Mozambique, their effective enforcement or implementation may be undermined by politics. The debate is whether decentralization in Mozambique might consolidate the neo patrimonial state or it might lead to genuine local governance.

Secondly, the system of public administration that was inherited at independence was highly centralized. A large portion of public expenditure is controlled by the executive at central and provincial governments. Although Parliament in Mozambique approves the budget, its oversight role isweak. Institutional checks and balances are relatively weak or not very effective. In the absence of legislative oversight there is a likelihood there will be gaps in the enforcement of legislation.

Thirdly, Mozambique's justice sector has structural impediments and the judiciary is generally weak. The judiciary lacks institutional autonomy and resources to effectively dispense justice and promote the rule of law. It is highly centralized with most courts located in Maputo. [13] Not all districts in the country have courts and judges. Most rural people do not have access to courts and legal services.

Other challenges that may undermine decentralization and local development in Mozambique include: weak capacities in State and non-State institutions, high or heavy reliance of GoM on foreign aid, risk of 'decentralized corruption' in districts and municipalities,[14] highly bureaucratic GoM systems, weak CSOs to act as 'watch-dogs' for decentralization, and limited private sector participation in decentralization processes.

[10] Javier Pereira (2011), *Slow Progress towards Democratic Ownership in Mozambique*. Alliance 2015

[11] Machohe, A. (2011) 'Limits to Decentralization in Mozambique: Leadership, Politics and Local Government Capacities for Service Delivery' PhD Dissertation, Institute of Social Studies (ISS), The Hague, Netherlands.

[12] Barnes, J. (2005), 'Local Government and Development Planning: Towards Decentralized Planning and Budgeting in Mozambique.' Paper Presented at a workshop on 'Performance Budgeting: The Challenges of Implementation' September 2005, Dar-es-Salaam, Tanzania.

[13] Levy, S. (2002), 'Mozambique: Legal and Judicial Sector Assessment.'

[14] Forquilha, S. (2009), 'Reforma de decentralizacao e reducao de pobreza num context de Estado Neopatrimonal.' Dinamicas de pobreza e padroes de acumulacao, Maputo, 23-24 de Abril. Also see USAID (2005) *Corruption Assessment*: Mozambique. United States Agency for International Development.

Despite these challenges, decentralization has considerably changed the institutional and political landscape in Mozambique. Participatory planning has been introduced in districts and some municipalities, and in some districts service delivery has improved. The country has legislative instruments and a national programme for decentralized planning and finance Opportunities to transit from *decentralization for local development* to *decentralization for state-building* exist. Decentralization for state-building is where local authorities decide the fate of the central state and when the central state engages local authorities in building mutual relationships. The central state and local authorities become inter-dependent.

2. UNDP's PROGRAMME ON DECENTRALIZATION AND LOCAL DEVELOPMENT

2.1 Decentralization and Local Economic Development in UNDAF and CPAP

The United Nations Development Assistance Framework (UNDAF) is a framework that lays out the UN Country Team (UNCT) or the UN system's programmatic support to the Government of Mozambique to achieve national objectives and priorities identified in PARPA. Three generations of UNDAF have been developed by UNCT. The current one UNDAF 2007-2009 was extended to cover the period up to 2011. A new UNDAF 2012-2014 has just been finalized. The extended UNDAF 2007-2009 aims at supporting the Government to realize national objectives articulated in PARPA II (2006-2009). It has three core or strategic outcomes in focusing on governance, human capital and HIV/AIDS. The outcome on governance is stated as: "By 2009, Government and CSO capacity at national, provincial and local level strengthened to plan, implement and monitor socioeconomic development in a transparent, accountable, equitable and participatory way in order to achieve the MDGs."

To achieve this broadly stated outcome, the UN set out the following actions: "(a) strengthening Government capacity at all levels for participatory planning, monitoring and evaluation, including monitoring national progress against the MDGs, (b) Strengthening decentralized Government capacity for efficient, effective and accountable delivery of integrated services; (c) Supporting the consolidation of participatory democracy and legislative reform; (d) Strengthening national capacity to ensure rule of law and access to justice; (e) Raising awareness of human rights and strengthening compliance with obligations under international human rights treaties; (f) Strengthening the capacity of civil society organizations and improving mechanisms for the involvement in development processes; and (g) Supporting the development and implementation of national financial and management systems and mechanisms, including a gender responsive budget."

UNDAF 2007-2009 outlines a wide range of outputs to be generated by 2009. These include: strengthened capacities for mainstreaming gender and HIV/AIDS considerations into provincial and district planning, strengthened capacities of selected districts and municipalities to coordinate, improve and oversee delivery of integrated services, and strengthened capacity of small and medium scale enterprises to access markets. These kinds of outputs are however generally stated without explicit indicators and baselines.

The United Nations Development Programme (UNDP) is contributing to the attainment of the UNDAF outcome on governance. Its programmatic initiatives or interventions to achieve the outcome are written in the Country Programme Action Plan (CPAP) 2007-2009 and its extension CPAP 2010-2011. Outcomes 2.1 and 2.2 of the CPAP focus on

decentralization and local development. Outcome 2.1 is stated as "Effectiveness and efficiency of local government improved through supporting the implementation of the decentralization and administrative reform processes." To achieve this outcome, 10 outputs were expected. Outcome 2.2 is stated as "the level and quality of participation of communities, civil society and the private sector in local governance processes and service delivery improved." Five outputs were expected to attain the outcome. See table 1.

Table 1: Decentralization and Local Development Outcomes and Outputs

Outcome 2.1: Effectiveness and efficiency of local government improved through supporting the implementation of the decentralization and administrative reform processes.

Outputs

1. Participatory planning, monitoring and evaluation processes and capacities strengthened in focus districts and municipalities.
2. Selected provincial and district government restructuring and organizational development processes supported, and inter-sectorial coordination capacities strengthened.
3. Priority local service delivery processes and mechanisms simplified, rendered more efficient and made more accessible and responsive to users in selected provinces and districts.
4. Organizational and service delivery capacities of selected municipalities strengthened.
5. Fiscal decentralization and public financial management improved at local level.
6. Information management and communication capacities strengthened in selected provinces, districts and municipalities.
7. District and provincial government monitoring and evaluation system developed/strengthened.
8. Increased access to business development services facilitated in selected provinces and districts.
9. Local disaster prevention, water resource and environment management capacities strengthened.
10. Millennium Villages approach piloted and emerging findings disseminated.

Outcome 2.2: Improved level and quality of the participation of the communities, civil society and private sector in the governance process and rendering of services.

Outputs

1. Community organizational development capacities strengthened in selected provinces, districts and municipalities and community consultation bodies (IPCCs) strengthened.
2. Community capacities in participatory development and project planning, management, monitoring and evaluation strengthened in selected provinces, districts and municipalities.
3. Level of public access at district and provincial levels to local government performance information and local service information increased.
4. A viable approach to increasing community access to development-related knowledge and information developed and piloted.
5. Level and quality of local civil society participation in monitoring the effectiveness and efficiency of local government in implementing PARPA and MDGs strengthened.

Source: UNDP CPAP 2007-2009

In the extension of the CPAP 2007-2009 to 2009-2011 some of the outputs were reframed or written to articulate results that are outcome oriented. The outputs have measureable indicators—both baselines and targets. It is important to indicate the level of attainment of these outputs and to show how the attainment of these outputs has contributed to the achievement of the two outcomes. There is a direct relationship between the attainment of outputs and achievement of outcomes. It is therefore critical to assess output attainment as contributing to the achievement of outcomes.

Overview of Programme Interventions

The objective of UNDP's support to Democratic Governance is aimed at strengthening democratic processes at national, provincial and local levels. UNDP is continuing it's more than a decade-long support to the decentralization process through capacity building in participatory and gender responsive planning, monitoring and evaluation in order to improve public service delivery. In 2010, the Government has approved the new national programme for decentralized planning and finance to cover all the 128 districts of the country. UNDP continues its support to decentralized funds, district development plans, better services, and five Millennium Villages.

2.2 Description of Specific Programme Activities

The current UNDP Decentralization and Local Development Programme has its origins in the UNDP/UNDCF funded Decentralized Planning and Finance Project in Nampula Province initiated in 1998. The Project was initiated in recognition of the fact that development planning and financing at the district level is important for promoting rapid alleviation of poverty and enlargement of democratic governance. Its design emphasized, *inter alia*, the creation of consultative councils to provide institutional space or mechanisms for local people's participation in development planning, monitoring and evaluation, mainstreaming of gender considerations into development plans, enhancement of the collection, recording, retention and management of revenue by districts, better coordination of government and donor initiatives on decentralization and local development, strengthening of central, provincial and district governments' capacities for and ownership of decentralization of planning and financing of development, and development of national policy and legislative frameworks for decentralized planning and financing.

The UNDP/UNDCF Project was considered a pilot or experimental. It comprised of the following core elements or components: (a) the establishment of a District Development Fund, (b) creation of consultative councils in each of the 18 districts of Nampula Province (c) setting up technical teams for district planning and provision of technical staff to the Nampula Provincial Government to support the district teams (d) identification and implementation of various specific projects relating to physical and social infrastructure such as construction of roads, schools and hospitals, and (e) training of district and provincial staff in planning and development financing.

The Consultative Councils (CCs) are an innovative institutional arrangement that brings together various different stakeholders—government administrators and planners, CSOs, private sector, local community representatives and other actors—to engage in planning and

budgeting in transparent ways. This institutional model is expected to ensure that resources generated by and/or transferred to districts are used effectively. It is expected to reduce or eradicate corruption. The effectiveness of CCs is largely dependent on their ability to access and use relevant information. CCs need access to information in order to function effectively.

The pilot Project has been studied and assessed by several researchers and organizations.[15] During its first five years the Project was very successful. It stimulated change by producing specific outputs and outcomes. These include: (a) the establishment of the District Development Funds (b) increased local participation in district planning through consultative councils (c) improved infrastructure particularly roads, schools and health centres (d) increased human and institutional capacity of provincial and district administrations to plan and account and (e) increased donors' interest in and support to decentralized planning and better coordination of donor activities. The Project was up-scaled or extended to Cabo Delgado and Gaza Provinces by UNDP and Government. Inspired by the successes of the Nampula Project other donors launched decentralized planning and financing in other provinces of Mozambique. For example the World Bank started supporting decentralized planning in Sofala, Manica, Tete and Zambezia Provinces. The pilot phase also influenced the Government's policy on decentralization. First, the GoM decided to replicate or extend decentralized planning and financing to all provinces and established districts as budgetary units. Second, a national decentralized planning and finance programme has been designed by GoM in partnership with several institutions including UNDP and donors.

UNDP Decentralization and Local Development Programme 2002-2011

1. Support to Decentralised Planning and Financing in the Provinces of Nampula and Cabo Delgado

Based on lessons learned from the successful UNDP and UNDCF supported pilot project in Nampula, in 2001 UNDP decided to continue and consolidate project activities in Nampula established and replicate decentralized planning and financing in Cabo Delgado Province. The UNDP 'Support to District Planning and Financing in Cabo Delgado Province' started in 2002 as a separate project from that in Nampula. In 2003 the two were integrated to constitute one project—"Support to Decentralised Planning and Financing in the Provinces of Nampula and Cabo Delgado". This project was also referred to as "Decentralised Planning and Finance Project (PPFD)". It covered all districts of the Province of Nampula and six districts of the Province of Cabo Delgado.

The overall objective of the PPFD project was "to increase access by local communities to basic infrastructure and public services through sustainable and replicable forms of decentralised participatory planning, budgeting, financing and public management." Its budget was approximately US$ 16 million for a period of four years, 2002 to 2006. Expected outputs of the project were:

1. Established, institutionalized and self-sustaining participatory planning cycle for local government (districts, municipalities and provinces);

[15] See for example UNDCDF/UNDP (2004) 'Mid-Term Evaluation of the Program Support to Decentralized Planning and Financing in the Provinces of Nampula and Cabo Delgado in Mozambique', and Kulipossa, F., and Manor, J. (?), 'Decentralized District Planning and Finance in One Mozambican Province', chapter 7 in Manor, J. Editor, *Aid that Works: Successful Development in Fragile States*. The World Bank, Washington DC.

2. Established local government financial systems that are managed in a responsible and transparent manner that increases local government income;
3. Provincial and District Governments that have established and institutionalised a transparent system for the implementation, supervision, operation and maintenance of basic infrastructure;
4. Institutional (including human) capacity strengthened and made self-sustaining for improved local government performance;
5. Gender and vulnerable group issues effectively mainstreamed into local development and governance processes;
6. Innovations such as local economic development, natural resource management and district-municipality integrated planning included in the decentralised planning methodology; and
7. Best practices generated through decentralised planning are systematised, standardised and articulated in support of the elaboration of a National Strategy for Decentralised Planning and Financing.

In 2004 the project was evaluated against or based on the attainment of the above outputs. The evaluation concluded that the project attained or generated most of the expected outputs. However, there were some shortcomings or challenges. These included[16]:

(a) The implementation of the Nampula and Cabo Delagdo project components or elements as one coherent project was not entirely achieved. There was limited interaction in the management or administration of the activities of the project in and between the two projects. There were institutional challenges to the integration of the two projects.
(b) UNDP's administrative and finance (or procurement) systems were not efficient. There were delays in the recruitment of staff and procurement of equipment and vehicles for project activities in the provinces and districts; and
(c) The integration of gender and vulnerable groups' considerations into planning and governance processes was not adequately taking place. In Cabo Delgado it took relatively long to recruit an advisor on gender. In both Nampula and Cabo Delgado issues of the vulnerable had not been really identified and integrated into district plans.

Best Practices from Nampula and Cabo Delgado Decentralized Planning and Financing

Case Study 1: UNDP's Support for Institutional Building—Namialo Technology Transfer Center

In 2005 the Provincial Directorate for Public Works and Housing in Nampula Province, the Decentralized Planning and Financing Programme of UNDP and the Local Development Agency signed a memorandum of understanding to promote the use of local materials and labour for building houses, schools, hospitals and other public facilities. This led to the establishment of the Namialo Technology Transfer Centre (sometimes referred to as the

[16] Borowczak, W., et., al. (2004), Mid-Term Evaluation of the Project 'Support to Decentralised Planning & Finance in the Provinces of Nampula and Cabo Delgado /Mozambique' (MOZ/01/C01 – MOZ/01/001).

Technology Village). The Centre offers:

- better technical solutions for traditional housing;
- training in the development and use of cheap local natural resources for construction of building;
- opportunities to create and incubate micro-enterprises and increase employment in rural and urban areas;
- research and technology transfer in the construction domain; and
- capacity building for technicians and outreach for national investigations centers and Universities.

The Centre has supported the creation and incubation of at least 33 micro-enterprises (known MERAs) with a cash flow of about US$1 million within two years. Its work influenced to GoM to approve a decree where individuals and small enterprises can apply for the bids up to US$30.000. In addition, there has been drafted a National Strategy for the use of improved local materials and alternative technology in the construction.

In 2010 the Centre won the Innovation Prize of the African Association for Innovation in Public Management for being an innovative model…

Case Study 2: Construction and impact of the Namina Market

The market at Namina in Mecuburi District was constructed with support of UNDP and UNCDF funding. It was opened in August 2003. The new replaced old open air market stalls that were annually rebuilt or renovated. Before its construction, fish, meat and other food products were being sold in the open air with infestation from flies and insects. The level of hygiene was bad. There was high food spoilage and thus loss of income. The new modern market has changed conditions in the following ways:

- The level hygiene has improved considerably;
- Informal trade has increased;
- Self-employment has increased; and

Local taxation through market fees has increased

2. Support to Public Sector Reform

UNDP has been supporting the GoM to undertake various reforms of the public sector since the 1990s. Since 2003 UNDP has supported specific project activities on public sector reforms. From 2003 to 2006 UNDP support was directed through the Technical Support Unit for Public Sector Reform and focused on the following: (a) support the design and implementation of a participatory Monitoring and Evaluation (M&E) system for public sector reforms, (b) formulation an e-governance strategy and (c) mainstreaming HIV/AIDs and gender considerations in the human resources management strategy of the public sector.

The terminal evaluation project was conducted in December 2006 and concluded that the project did not perform "very well as implementation of some activities and outputs have not been credible and the project underwent numerous problems. There seems to be very little progress in terms of some of the outputs as evidenced from the 2004 and 2005 annual

progress reports except in the case of the formulation of the e-governance strategy and the M&E system. After three years of implementation, some activities specified under this project related to mainstreaming of HIV/AIDs and gender into the public sector are still in their early stages of implementation or are ongoing. These are attributed partly to the delay in the commencement of the various activities due to the fact that suitable local specialists/consultants could not be recruited on a timely basis to undertake these activities and related studies."

In 2007 UNDP and the Ministry of State Administration (MAE) launched a second phase of support to public sector reform. This is a five years project that was to end in 2010 but was extended to 2011. The phase two of support to public sector reform focused on the following: (a) restructuring process of all provincial and district governments to improve inter-sectoral coordination and define roles and responsibilities of local state bodies according to Act 8/2003; (b) restructuring state administration support organs in municipalities (c) development of district and provincial profiles and (d) revising the Law on Local Organs (LOLE Act 8/2003) to align it with the 2004 Constitution. Though there is no terminal evaluation of the project, there is evidence that progress in achieving the project's objectives has been made in certain aspects.

In 2003 UNDP supported MAE to produce Guidelines for Community Consultation and Participation in District Planning. The Guidelines clarify roles and responsibilities of district level stakeholders involved in district planning. They are essentially the terms of reference or statutes of the CCs. The guidelines put emphasis on the functional aspects of district planning, ways of ensuring participatory planning including in the identification of the development priorities to be integrated into District Development Plans (PEDDs). The Guidelines are also a tool for ensuring transparency and promoting accountability in district development practices or activities. The regulations for the Law of Local State Administration (LOLE) are to a large extent informed by the Guidelines. The Guidelines were adopted and are being applied in all districts in the country but were subject to revision and updating in 2008.

UNDP has over the past five years or so being involved in supporting the GoM to develop a comprehensive policy and strategy for decentralization. It has provided technical and financial resources to national workshops and preparation of technical studies. Though not formally adopted, a final draft of National Decentralization Policy and Strategy was published this year and is expected to be formally adopted by Cabinet soon. In addition, the new national programme for decentralized planning and finance was approved and launched in 2010 with UNDP's support, and the District Consultative Council model as well as tools and processes which UNDP, in partnership with UNCDF, put in place nearly 13 years ago, were adopted as a national model for all 128 districts.

3. Support to the National Decentralized Planning and Finance Programme (PNPFD)

UNDP is supporting the National Directorate of Planning (DNP) at the Ministry of Planning and Development (MPD) to implement the PNPFD. The support covers (a) technical assistance to DNP to further strengthen district planning, collection of territorial statistics, review and testing of methodologies and guidelines, support MPD to implement District Performance Monitoring System (SMoDD), and design Knowledge Management Strategy. UNDP provided technical support to DNP to revise the Decentralisation Policy and Strategy

document that was published in 2010 and participated in consultations on the policy and strategy.

In collaboration with the National Statistics Institute, DNP has organized capacity building courses on the collection and use of territorial statistics. Other aspects of support to PNDFD include support to provinces and districts to integrate cross-cutting issues on gender, health and environment into plans. UNDP's support enabled CTAs in the MPD to review and adjust methodologies for planning. Support was also given to the implementation of the District Performance Monitoring System (SMoDD) in 30 pilot districts and installation of a database in all districts, based on the 2009 baseline survey. The support has enabled districts to enhance their capacities to plan and budget based on update statistics.

4. Support to Decentralized Planning and Financing in Gaza Province

In 2006 UNDP extended support to district planning and financing to Gaza Province. This was largely replication of the activities in Nampula and Cabo Delgado although there were additional aspects or components such as more emphasis on integrating MDGs into provincial and district planning, experimentation with the concept of Millennium Villages, and integration of food security and climate change considerations into provincial and district plans. Around June 2006 UNDP signed a project agreement or document with the Provincial Government of Gaza to support "Building Local Government Capacity in the Province of Gaza to Achieve the Millennium Development Goals". The project's development outcome was stated as "to improve the quality and efficiency of public services delivered to the citizens in the Province of Gaza and speed up the achievement of the MDGs. Its expected outputs were:

(a) MDG-compliant Provincial Plan and five district plans elaborated and implemented through participatory processes;
(b) Provincial Development Observatory and participatory policy dialogue mechanisms strengthened and progress against PARPA II and provincial/district plans effectively monitored;
(c) Institutional arrangements improved at provincial and district governments to achieve greater efficiencies in service delivery; and
(d) CSO and communities capacities for service delivery strengthened to become fully fledged development agents.

This project was established to last just about 18 months with a budget of appropriately US$1.8 million. The project was to be executed by the Provincial Government of Gaza with technical assistance from UNDP. The United Nations Food and Agriculture Organization (FAO) collaborated with UNDP to support the integration of food security and nutrition issues into the provincial and district plans.

Based on interviews and reviews of various documents including previous evaluation, it is difficult to determine the extent to which the development outcome of the project has been achieved or whether progress in the attainment of MDGs is directly attributable to UNDP's support or interventions. However, there has been progress in achieving certain MDGs in Gaza Province. According to the 2008 Mozambique Report on the MDGs, there has been improvement in child nutrition and girls' enrolment and completion in schools. However, it is difficult assess the extent to which all of these changes can be attributed to the project. There

is also no gathered empirical data on changes in the quality and efficiency of services delivery after the initiation of the project.

However, the project has produced a number of outputs. These are: (a) the establishment of the Provincial Development Observatory and strengthening of technical capacity to collect data or statistics (b) Provincial and district plans have been produced, and some (e.g. Guija District Plan 2010) these make reference to MDGs and PARPA II (c) capacity for institutionalization of One-Stop-Shop (d) establishment of Community Mutimedia Centre in Xai-Xai as well as the establishment of the Gaza Provincial Digital Resource Centre (CPRD).

In addition to the above, UNDP supported the establishment of CCs in all districts of Gaza. The CCs participate in the development and implementation of district development plans. In some of the districts e.g. Guija, CCs are starting to play critical roles in monitoring the implementation of plans and use of district revenues. In 2010 alone a total of 786 members of CC from Xai-Xai, Chókwé, Bilene and Mandlakazi were trained in matters pertaining to gender and organisational development.

2.4 UNDP Institutional Arrangements and Resources

The Decentralization and Local Development Programme is within the UNDP Governance Unit. The Unit has nine technical staff working on various governance programmes. One CTA is embedded in MPD. There are 11 technical staff or advisors in the field offices located mainly in the three provinces. In the period 2005-09 there were a total of five international staff. In mid 2011 there was only one.

Funding for the Programme has in general grown since the late 1990s when the Nampula project was launched. Between 2003 and 2007 funding peaked when the project had both a technical assistance and an investment component (UNCDF funds) for Nampula and Cabo Delgado. It was approximately $3M a year. The UNCDF component of the project stopped in 2007 and there were no new capital investment funds although there were still some outstanding infrastructure projects to complete. The Programme was introduced in Gaza Province in 2008 but for the period 2008 -11 funding has been approximately $1.5M a year for all the three provinces and for support through MPD.

The GoM is not making any direct financial contributions to the activities or programme funded by UNDP in the three provinces. It makes “in kind” contributions in terms of office space, materials and transport. The main donors of the PPFD from 1998 -2008 were The Dutch and Swiss Governments (Nampula), the Norwegian Government (Cabo Delgado) and the Irish Government (MPD). These same donors, together with German Cooperation and the World Bank are now supporting the National Programme. Under the MoU signed with GoM, UNDP is making “in kind” contributions to the National Programme in the form of providing technical advisors (i.e. funds that allow the Government to recruit these advisors) to the 3 provinces and MPD.

The main modality for the implementation of projects or activities under the Decentralization and Local Development Programme of UNDP is national execution (NEX). Most of the activities are located in and administered through provincial government offices with great participation of provincial authorities. UNDP support has helped to recruit technical advisors who are located in the Provincial Governments. The NEX implementation approach has helped to build the Government’s ownership of the UNDP Programme and is

enhancing the sustainability of its outputs and outcomes. A major challenge in ensuring the effectiveness of the NEX modality of implementation relates to relatively weak capacities of State institutions, namely the MAE and provincial authorities. Bureaucracy in MAE and in provincial authorities has in a number of cases led to delayed recruitment of personnel and procurement of equipment. Some of the external auditors' reports have raised this issue and also some accountability deficits in GoM systems.

In terms of monitoring and evaluation of the execution of the Programme, the UNDP Country Office has established systems and procedures. Since the mid-2000s there has been frequent evaluation of projects and external audits of finances. Capacity for M&E is being built across Units in the Office. A key challenge is to ensure that when developing new projects a coherent system of results-oriented framework—indicators and achievable results or benchmarks—is used and clear baselines and results are written into the project documents.

3. EVALUATION OF PROGRAMME

3.1 Relevance

The UNDP Decentralization and Local Development Programme is very relevant and contributes to the achievement Mozambique's PARPA II priorities of poverty reduction and social inclusion through decentralization. It also supports the strengthening of democratic governance at all national levels as well as decentralisation and administrative reform processes in Mozambique. UNDP's support to decentralization and local development in the provinces of Gaza, Nampula and Cabo Delgado was critical. The Programme has contributed to the attainment of UNDAF Outcome #1 and CPAP Outcomes #2.1 and #2.2.

The relevance of the Programme and its interventions is also manifested in the extent to which the pilot Project in Nampula has been replicated in almost all provinces across the country and the increased interest of donors to support decentralization and local development initiatives that are modelled around the Nampula pilot project.

In terms of Programme design and scope, generally the projects fit into governance as a programmatic area or unit. However, there is less coherence and synergy in project implementation. For example, project activities relating to the design and implementation of Millennium Villages in Gaza are not well integrated with district planning processes.

A key concern relates to the quality of project design. From a review of at least five project documents it is evident that there are limitations in terms of clear articulation of expected results. Some of the project documents have expected results (outputs and outcomes) that do not match with activities.

3.2 Effectiveness and Efficiency

The evaluation relied on results and resources frameworks in the project documents to determine the expected outputs of the Programme. Some of the key outputs generated by the Programme are:

(a) The establishment of District Development Fund (DDF) and the designation of the district as a "budgetary unit" by GoM;

(b) Methodologies for district planning and budgeting designed, tested and are now used widely in the whole country;
(c) District development planning institutionalized and many districts are producing development plans;
(d) Manual on revenue collection and control developed and now used in all districts in the country;
(e) Increased revenue collection and better management, at least in Nampula,Cabo Delgado and Gaza provinces;
(f) Consultative Councils (CCs) established in all districts in Mozambique. The CCs are entrenched in the Local Government Act (LOLE) and explicitly recognized as institutions of governance;
(g) Increased capacity of local associations and micro-enterprises to develop and use local materials for construction of building, and costs of building construction reduced between 60-70 percent in Nampula and Cabo Delgado provinces
(h) Improved infrastructure in terms of schools, roads, markets and health centres in several districts in the country;
(i) Strengthened capacity of districts in Nampula, Cabo Delgado and Gaza provinces to manage participatory planning and financing of local development because of trained personnel and established infrastructure e.g. computerized systems; and
(j) Institutions for capacity building established in Namialo and Namaita in Nampula Province. In Namialo a centre for technology transfer established with UNDP support and is training local people, including women, in the use of local materials to construct houses. A centre for training public servants in planning, public administration and local governance established in 2009 in Namaita and training courses already launched. At least 20 district administrators and 20 permanent secretaries were trained at the centre in 2010.

Generally UNDP has been efficient in implementing projects under the Programme. In most cases project outcomes and outputs have been produced or attained within planned timelines and budgets. The attainment of planned outputs contributed to the achievement of the outcomes 2.1 and 2.2. The achievement of these outcomes has also contributed to the achievement of the UNDAF outcome. However, concern was raised regarding late or delayed disbursement of funds as well as delays in procurement of equipment. Several of the provincial and district level staff who were interviewed noted that UNDP Country Office's disbursement and procurement policies and procedures are cumbersome. The mid-term evaluation of the project 'Support to Decentralised Planning & Finance in the Provinces of Nampula and Cabo Delgado /Mozambique' raised this concern in its findings.

3.3 Partnerships and Local Ownership

UNDP has established partnerships with State agencies, donors and civil society organizations. On the whole, UNDP's relationships with these organizations are good. UNDP's partnerships with State institutions are rated at 3 on the scale of 1-5; where 1 scores for very poor and 5 for very good or intense partnerships. UNDP's relationships with State institutions has grown and rated to be very good. The GoM generally trusts UNDP as a genuine partner and a source of credible expertise and knowledge on decentralization and local development.

UNDP partnerships with civil society in general and CSOs as well as private sector in particular can be improved. In both Gaza and Nampula provinces, CSOs are not directly engaged in the execution of UNDP funded or supported initiatives. While they get involved

in district planning processes, they do not get direct support from or through UNDP to execute projects. This is mainly because most CSOs in Mozambique lack adequate programme and finance management capacities. UNDP has designed a new programme that focuses on building the capacities of CSOs and getting them to be actively involved national development policy dialogues and processes of decentralization and local economic development. If the new programme is successfully implemented it is likely that UNDP will future seek to better engage CSOs in general and NGOs in particular in direct implementation of its projects on decentralization and local development.

There are very few explicit partnerships between UNDP and other UN agencies. UNCDF partnered with UNDP during the earlier or initial stages of the programme. Both institutions were instrumental in design and execution of the Nampula project. However, UNCDF is not much engaged now with UNDP on decentralization issues. Other UN agencies are not really working with UNDP on decentralization activities. The exception may be FAO that is involved in supporting integration of food security issues into district planning in Gaza Province.

3.4 Sustainability of Benefits

The sustainability of the Programme's benefits (outcomes and outputs) was evaluated based on replicability of interventions, level of local ownership and technical leadership in programme implementation, and trained staff that are retained by the provinces and districts or level of staff turnover. The UNDP DLP Programme exhibits many features of sustainability. These are: (a) increased ownership by GoM, provinces and districts and their active engagement in the implementation of the Programme (b) high replicability of the Nampula pilot project across the country's provinces (c) transfer of technical leadership of the Programme from international technical advisors to nationals of Mozambique, and less reliance on international consultants (d) GoM has taken over costs of some of the key budget lines, including salaries of personnel at certain posts in the provinces and districts, (e) increased or high level of integration of the programme activities into the operations of the provinces and districts, MPD and MAE. Technical advisory services or functions are integrated into the MPD with Chief Technical Advisor (CTA) based in the Ministry and other technical advisors in provincial and district offices, and (f) the launch of the PNPFD is a clear indication of GoM's ownership of and leadership for decentralization and local development.

Key sustainability challenges include (a) high turnover of trained personnel in provinces and districts or low retention of staff trained for decentralized planning and financing activities and (b) funding of decentralization and local development projects to and through UNDP is declining, and key donors are directly channelling funds to GoM. This may threaten project activities in the three provinces, particularly those that have relatively low GoM ownership. However, in the past 5 years the Central Government has increased its financial transfers to districts from 3 percent to 12 percent of the total national budget. This is likely to increase the sustainability of decentralization gains and activities in the countries.

3.5 Key Challenges

There are two kinds of challenges addressed by this evaluation. The first kind relates to the overall context of decentralization and local development in the country while the second focus on operational issues.

Despite the relatively high or significant success or achievement of the Programme in generating outcomes and related outputs, there are challenges or constraints. These include:

(a) UNDAF, CPAP and project documents need to be better aligned with clear results and resources frameworks. Results should be attainable, verifiable and measurable or with explicit benchmarks. In a number of cases there are mismatches between CPAP outcomes and project outcomes and outputs.
(b) The Decentralization and Local Development Programme as a whole requires a clear conceptual framework. It should not be a collection of different projects that are conceptually different and being implemented in isolation.
(c) Relatively low levels of CSOs' and private sector's engagement in direct implementation of the activities;
(d) Inadequate documentation of the Programme's activities, outcomes and lessons as well as inadequate sharing of information between and among provinces and districts in the country;
(e) Inadequate intra-UNDP programmatic unit linkages. There is less interaction and synergy between the Programme on Decentralization and Local Development and other programmatic areas or Units within the UNDP CO;
(f) As stated earlier, the sustainability of the outcomes and outputs (or benefits in general) is undermined by poor rate of retention of trained personnel in provincial and district authorities;
(g) UNDP's long-term direct involvement in decentralization and local development is largely dependent on continued donor funding and its own contributions. UNDP's budget for the Programme on Decentralization and Local Development has not grown. Many donors are funding GoM directly through the national programme. UNDP's own final contributions are also decreasing at a time when support to decentralized planning and financing should be scaled up in provinces such as Gaza and Cabo Delgado and the Nampula model replicated in more provinces;
(h) While progress has been made to mainstream gender considerations in Nampula Provincial and districts' development plans and strategies, the pace of mainstreaming gender issues seems to be slow in Gaza and Cabo Delgado provinces. In all provinces mainstreaming of vulnerable groups' issues into plans and strategies is still a statement of intent. Provincial and district personnel for planning do not have methodologies or frameworks to guide them to mainstream vulnerable groups' issues into plans.

3.6 Overall Assessment of Outcome

UNDP's 12 years of support for and engagement in on decentralization and local development in Mozambique *have had great impacts* in several ways. First, UNDP has contributed to the improvement of policy conditions for decentralization by supporting the development of national policies and legislation. Its investment in the original or pilot project in Nampula *helped to enlarge political interest and support* for decentralized planning and financing.

Second, *UNDP's investments have resulted in significant institutional capacity enhancemen*t. The establishment of institutions such as the Namaita and Namailo centres and infrastructures such as markets, hospitals and schools has greatly contributed to skills development, increased incomes for rural people, better access to services, and improved capacity for participatory planning.

Third, UNDP has helped the GoM to engage in decentralization by strengthening the capacities of State institutions such as MAE and MPD. This has led to the development of GoM national programme on decentralization and local development. A high sense and level of *national ownership of decentralization* have been created.

Fourth, UNDP has been *instrumental in inspiring donors* and leveraging more resources for decentralized planning and financing in Mozambique. Its successful pilot project in Nampula inspired institutions such as the World Bank, GTZ and bilateral donors to start or support decentralization projects in other provinces across the country.

4. LESSONS

There are a number of lessons to be learned from UNDP's 12 years or so of support to decentralization and local development in Mozambique. The first is related to *complexity and time* as key factors in decentralization and development. By this we mean that decentralization and local development are complex non-linear processes that take time. Decentralization for or and local development cannot be attained through short-term interventions. It is also complex involving many actors with many different vested interested. To support decentralization and local development it is important to have long-term interventions or strategies and also have institutional arrangements that bring the various actors together to coordinate better or ensure synergy. To a large extent UNDP's approach of evolving a pilot project to a national programme through learning demonstrates the importance of appreciating complexity and time as factors determining successful decentralization and local development.

The second lesson is about the importance of *policy catalysis and advocacy*. UNDP has largely played the role of a policy catalyst and advocate in supporting decentralization and local development processes in Mozambique. Its approach has been to catalyse and facilitate interventions as opposed to being more involved in the day-to-day operations of the activities and processes. This is also because UNDP purposefully decided to ensure that ownership and management of decentralization efforts were with GoM.

The third lesson to be learned is the importance of *flexibility of programme design and implementation*. Over the past 12 years or so, UNDP's support to decentralization and local development in Mozambique has been characterized by flexibility. Many of the projects were designed to be flexible in terms of activities and timeframe and their interventions were adjusted as conditions in the country change and as capacities of provincial and district authorities grew.

5. RECOMMENDATIONS

This evaluation clearly demonstrates that UNDP's Programme on Decentralization and Local Economic Development is generating outputs and outcomes. There are impacts being made in terms of improving the overall policy environment for participatory planning and good local governance in Mozambique. UNDP is a key facilitator and catalyst in the decentralization and local economic development processes in the country. A general recommendation of this evaluation is that UNDP should continue to support the GoM to enhance decentralization and local governance. Specific recommendations are clustered into two: increasing focus on substantive technical issues and improving operational measures.

Specific recommendations on substantive technical issues:

1. UNDP should continue to support decentralization and local economic development in Mozambique. It is recommended that *UNDP's new programme of work on decentralization should explicitly focus strengthening democratic governance and state-building*. The new programme should aim at promoting the decentralization of judicial services, entrenchment of provisions on human (including social and environmental) rights into legislation and district development plans, strengthening the role of national and local legislative authorities, and strengthening civil society participation in local development. The new approved UNDAF 2012-2015 provides the framework and authorization for this new focus. The challenge is now for UNDP to design specific projects or interventions on decentralization for strengthening democratic governance and promotion of state building.

2. Related to the above, UNDP should *develop a clear conceptual framework on decentralization for democratic governance and state-building* to ensure that all new projects and interventions are coherently organized and implemented. In the absence of a conceptual framework UNDP is unlikely to build greater synergies among projects. It will also not be able to effectively link practice and policy. If it develops a good conceptual framework it will be able to increase its ability to harness lessons and information from its field-based activities to inform policy at national level. This will also ensure that the new programme of work is properly aligned to UNDAF 2012-2015.

3. Given that now national policy and legislation on decentralization exist, and there is a large body of practical knowledge accumulated from many years of investment, *it is recommended that UNDP should increase focus on and support to high-level upstream policy advice and advocacy* with more emphasis on policy implementation, monitoring and evaluation as well as advice and advocacy for the promotion of implementation of decentralization legislation. Again UNDAF 2012-2015 provides the basis for this shift in emphasis to high-level policy processes and dialogues. UNDP now needs to develop specific projects or activities to ensure that the focus on high level policy issues is attained.

4. It is recommended that *UNDP should invest more in analytical and comparative studies on decentralization and local development in Mozambique*. It should partner with national universities and research institutes to conduct comparative research and analysis. UNDP needs to use its comparative advantage as a knowledge institution to fill the information gap on what has worked and what has not worked. As stated earlier, there is relatively little comparative analysis or studies on the state decentralization and local economic development between provinces.

5. The long-term success and sustainability of decentralization in Mozambique are to a large measure dependent on political will from political parties, legislature's oversight and the capacity of the judiciary to administer justice in districts and municipalities. As stated earlier, the legislature and judiciary are not actively engaged in the decentralization discourse and practice. *It is recommended that UNDP should develop a special initiative on strengthening legislature's and judicial participation in decentralization*. Such as initiative may comprise of parliamentary and judges' training workshops on decentralization policy and practices.

6. There is little documentation and dissemination of information on activities, outputs and outcomes of decentralization and local development programmes and project across the country, including activities by donors and the national decentralization and local development programme of GoM. *UNDP should consider designing and producing a newsletter or policy briefs on decentralization and local development.* This may strengthen coordination of different activities or efforts.

The evaluation identified are a number of operational issues or challenges that should be addressed in order to increase UNDP's effectiveness and efficiency in supporting decentralization in Mozambique. Below are a number of recommendations that UNDP may wish to consider.

7. UNDP *should leverage its knowledge assets across units in the Country Office and globally to introduce* or add new value to Mozambique's decentralization and local development. There are two aspects to this. First, it is critical that the Decentralization and Local Development Programme under the Governance Unit establishes close collaboration with activities of other units, particularly Poverty Unit and the Crisis Prevention and Recovery/Environment Unit. Second, inter-units' joint project design and implementation and working in the same provinces and districts should be encouraged.

8. The alignment of projects to UNDAF and CPAP needs to be improved. There is need for the programme and projects have clear, achievable, measurable and monitorable results. In some cases projects' objectives and results were very ambitious and unachievable within timeframes and with available resources. *It is recommended that UNDP should first assess its M&E systems and capacities, and strengthen M&E capacities within units. UNDP has invested in training staff in M&E.* This needs to be followed up to ensure that appropriate M&E considerations are integrated in project design and execution. The officers responsible for M&E should also check all project documents before approval.

9. The delivery of some projects has been slowed by delayed disbursement of funds and recruitment of staff and consultants. *UNDP needs to review or assess its systems and capacities for providing administrative and financial services to programme.* Based on the review or assessment, it should institute measures for improving service delivery and in particular fastening disbursement of funds and recruitment of staff and consultants for projects. However, *UNDP should not compromise its good procedures because of weak capacities of its implementing partners*. If and where necessary it should support the partners to understand and adhere to its procurement policies and procedures.

10. UNDP *should seek to engage civil society and private sector more directly in the execution of decentralization and local development projects*. It should encourage a greater mix of CSOs, GoM and private arrangements in the design and implementation of projects. UNDP should identify a number of CSOs and seek to strengthen their capacities to participate in direct execution of projects. UNDP has started implementing a number of activities to strengthen civil society participation in decentralized planning and budgeting as well as CSOs' capacities for monitoring and evaluation of decentralization and local development activities. A new 4 year programme on strengthening CSOs will be launched in 2012.

11. UNDP should more actively engage other Mozambique-based UN agencies in its decentralization and local development projects. UNDAF 2012-2015 provides a good framework for developing joint activities and synergistic relationships. *It is recommended*

that UNDP involves other UN bodies in the next cycle of programming on decentralization and local development.