

**LIMITS TO DECENTRALIZATION
IN MOZAMBIQUE:**

**Leadership, Politics and Local Government
Capacities for Service Delivery**

António Pedro José Machohe

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Research School for Resource Studies for Development.

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LIMITS TO DECENTRALIZATION IN MOZAMBIQUE:

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Capacities for Service Delivery

GRENZEN AAN DECENTRALISATIE IN MOZAMBIQUE:
leiderschap, politiek en vermogen tot dienstverlening
van de lokale overheid

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António Pedro José Machohe
born in Maputo, Mozambique



Doctoral Committee

Promotor

Prof.dr. A.H.J. Helmsing

Other Members

Prof.dr. K.C. Sharma, University of Botswana

Prof.dr. W. Hout

Prof.dr. M.A.R.M. Salih

Copromotor

Dr. João Guimarães

*I dedicate this thesis to Peterson and Kelvin António Machobe
as an inspiration for their future*



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Acronyms

ADEM	Associação para o Desenvolvimento de Manica (Association for the Development of Manica)
ANAMM	Associação Nacioanl dos Municípios Moçambicanos (National Association of Mozambican Municipalities)
ANC	African National Congress
AWEPA	Agency of West European Parliamentarians
BBC	British Broadcasting Corporation
CB	Capacity-Building
CBO	Community Based Organization
CEO	Chief Executive Officer
CG	Central Government
CWSA	Community Water and Sanitation Agency
DHS	Demographic and Health Survey
EMOSE	Empresa Moçambicana de Seguros (Mozambican Insurance Company)
FAO	Food and Agriculture Organization
IDP	Integrated Development Planning
LEDA	Local Economic Development Agency
LG	Local Government
LGA	Local Government Act
MA	Municipal Assembly
MC	Municipal Council
MDG	Millennium Development Goal
MF	Ministry of Finance
MSA	Ministry of State Administration

NGO	Non Governmental Organization
OMY	Organisation of Mozambican Youth
OMW	Organisation of Mozambican Women
OSINA	Organização dos Candidatos Independentes (Organisation of Independent Candidates)
PADM	Programa de Ajuda aos Distritos e Municípios (Programme to Support Districts and Municipalities)
PB	Participatory Budgeting
PCP	Public Sector-Community Partnerships
PG	Provincial Government
PMA	President of Municipal Assembly
PPP	Public-Private Partnerships
PRE	Economic Rehabilitation Programme
PRES	Economic and Social Rehabilitation Programme
PROGOV	Projecto de Governança Autárquica Democrática (Project of Democratic Municipal Governance)
SHAPF	South African Homeless People Federation
SWOT	Strengths and Weaknesses, Opportunities and Threats
UA	União Africana (African Union)
UNCDF	United Nations Community Development Forum
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nation Development Programme
USAID	United States Aid
USD	United States Dollar
WB	World Bank



Abstract

Mozambique has been a centralized State since its independence in 1975. During this time, local government has depended on the Central Government and has lacked autonomy in both local policy decisions and resource management in addition to the complete failure of effective local services delivery. However, from the first democratic local elections in 1998, municipalities have put in place new structures and more participatory processes to aid decision-making and implementation. They have also each elected a mayor and a municipal assembly, the latter representing local communities, and they have enjoyed more autonomy in decision-making and management of financial resources. The study seeks to assess the extent to which these new structures and decision-making processes are able to respond to the needs and wants of the communities they claim to represent. Considering that the aim of decentralization down to the local level is to cure the ills of centralization of decision-making, when devolving powers and competences to municipalities, it is important to develop local capacities for effective basic service delivery coverage. Since these are new institutions, the study also identifies and examines if the capacity-building initiatives delivered by Central Government, donors and non-governmental organizations to these municipalities address the gaps in their capacity to deliver services. Because decentralization is a relatively new phenomenon in Mozambique, there is a lack of literature in the area. This research contributes to fill the gap and provides a detailed framework that combines leadership, politics and local government capacities to translate participatory approaches to governance into positive results. This study took place in five Mozambican municipalities: Dondo, Matola, Manhica, Nacala-Porto and Chimoio. The Mozambican municipal governments are meant to involve various actors, namely local community members, community-based organizations and non-governmental organizations, the private sector and others

in the process of decision-making to respond to local needs effectively. The study looks at the following factors: leadership personal characteristics, institutional set-up and influence of political parties in decision-making. Apart from these political factors, this study examines other explanatory factors involving local government capacities namely the capacity to plan and make decisions, local government administrative capacity, local government financial management capacity and local government capacity to convene. These factors explain improvements in basic service delivery coverage. In some instances, ineffective leadership, inefficient administrative services and financial management explained poor service delivery coverage. Although the decentralization process is still relatively in its infancy, the research found that the existing municipal capacity to deliver services was still poor in most municipalities studied except Dondo and Matola. Apart from this, the impact of capacity-building initiatives delivered by donors, Central Government and non-governmental organizations to these new municipalities remained weak and municipalities still had shortage of qualified staff, infrastructure, finances, work materials and equipment. Because of these slow and weak capacity-building initiatives, local service delivery coverage was still unsatisfactory to local communities in most municipalities studied. In addition, although the Local Government Act (1997) seems to be clear and addresses most relevant issues concerning devolution, the Central Government resists change from fear of the unknown and departure from the *status quo*. Although it takes time for municipalities to learn and deliver services effectively, it seems that patron-client relationships pervaded the entire municipalization process, affecting service delivery negatively. In the end, a decentralization process intended as de-concentration for districts and devolution for municipalities became de-concentration for both districts and municipalities. Evidence also indicates that the party in power applies the majority democratic system to stifle political party competition and participation, to stimulate ruling party monopoly in decision-making, poor accountability and to limit the voice of the minority. In this regard, a single-party system is re-emerging in a country that claims to be a multiparty democracy.

*GRENZEN AAN DECENTRALISATIE IN MOZAMBIQUE:
leiderschap, politiek en vermogen tot dienstverlening
van de lokale overheid*



Samenvatting

Mozambique is sinds de onafhankelijkheid in 1975 een gecentraliseerde staat. De lokale overheid is sindsdien afhankelijk van de centrale overheid en kan geen autonome beslissingen nemen over lokale beleidskwesties of het toewijzen van middelen. Ook ontbreekt een effectieve lokale dienstverlening. Na de eerste democratische lokale verkiezingen in 1998 hebben gemeenten echter nieuwe structuren en meer participatieprocessen ingevoerd om de besluitvorming en implementatie te bevorderen. De gemeenten hebben ook een burgemeester gekozen en een gemeenteraad die lokale gemeenschappen vertegenwoordigt, en ze hebben meer autonomie gekregen op het gebied van besluitvorming en het beheer van financiële middelen.

Het doel van dit onderzoek is te beoordelen in hoeverre men met deze nieuwe structuren en besluitvormingsprocessen voorziet in de behoeften en tegemoetkomt aan de wensen van de gemeenschappen die vertegenwoordigd worden. Decentralisatie naar lokaal niveau is bedoeld om de nadelen van een gecentraliseerde besluitvorming te ondervangen. Daarom is het belangrijk om er bij het delegeren van bevoegdheden aan gemeenten voor te zorgen dat op lokaal niveau het vermogen tot effectieve elementaire dienstverlening ontwikkeld wordt. Aangezien het hier om nieuwe instellingen gaat, bekijkt dit onderzoek ook of de initiatieven van de centrale overheid, donoren en non-gouvernementele organisaties om het dienstverleningsvermogen van deze gemeenten te vergroten de problemen bij de dienstverlening oplossen. Decentralisatie is een relatief nieuw fenomeen in Mozambique, en daarom is er is weinig literatuur op dit gebied. Dit onderzoek helpt om deze lacune aan te vullen en biedt een gedetailleerd kader waarin leiderschap, politiek en het vermogen tot dienstverlening van de lokale overheid worden gecombineerd om een op

participatie gerichte aanpak van governance te vertalen naar positieve resultaten.

Het onderzoek is uitgevoerd in vijf gemeenten in Mozambique: Dondo, Matola, Manhiça, Nacala-Porto en Chimoio. Het is de bedoeling dat de Mozambikaanse gemeentebesturen verschillende actoren bij het besluitvormingsproces betrekken om effectief in lokale behoeften te voorzien, zoals leden van lokale gemeenschappen, organisaties binnen die gemeenschappen, non-gouvernementele organisaties en de private sector. Het onderzoek richt zich op de volgende factoren: persoonlijke kenmerken van leiders, de institutionele organisatie en de invloed van politieke partijen op de besluitvorming. Behalve op deze politieke factoren richt dit onderzoek zich ook op andere factoren die het dienstverleningsvermogen van de lokale overheid verklaren: het vermogen om te plannen en besluiten te nemen, de bestuurlijke capaciteit van de lokale overheid, de capaciteit op het gebied van financieel management en het vermogen om vergaderingen bijeen te roepen. Deze factoren verklaren verbeteringen in het verlenen van elementaire diensten. In sommige gevallen werd een slechte dienstverlening verklaard door ineffectief leiderschap, inefficiënte bestuurlijke diensten en inefficiënt financieel management.

Het decentralisatieproces is nog maar relatief kort geleden begonnen, maar uit het onderzoek blijkt dat het bestaande vermogen tot dienstverlening in de meeste onderzochte gemeenten nog gering was, behalve in Dondo en Matola. Daarnaast hadden de initiatieven van donoren, de centrale overheid en non-gouvernementele organisaties om de dienstverleningscapaciteit van deze gemeenten te vergroten weinig effect. Gemeenten hadden nog steeds gebrek aan gekwalificeerd personeel, infrastructuur, financiële middelen, materieel en apparatuur. Door deze trage en zwakke initiatieven om de capaciteit te vergroten was de lokale dienstverlening in de meeste onderzochte gemeenten nog niet bevredigend.

Bovendien houdt de centrale overheid verandering tegen uit angst voor het onbekende en om niet af te wijken van de status quo, hoewel de Local Government Act (Wet op de lokale overheid, 1997) duidelijk lijkt te zijn en de meeste zaken die relevant zijn voor het delegeren van bevoegdheden behandelt. Hoewel het tijd kost voordat gemeenten effectieve dienstverleners worden, bestaat de indruk dat patronage-relaties van invloed waren op het gehele decentralisatieproces, wat een negatief effect

had op de dienstverlening. Uiteindelijk resulteerde het decentralisatieproces, dat bedoeld was als deconcentratie voor districten en delegering van bevoegdheden voor gemeenten, in deconcentratie voor zowel districten als gemeenten. De resultaten geven ook aan dat de regeringspartij het democratische meerderheidssysteem gebruikt om de strijd tussen politieke partijen te onderdrukken, participatie te belemmeren, het monopolie van de regeringspartij in de besluitvorming te stimuleren en de stem van de minderheid aan banden te leggen. Ook is er sprake van een gebrek aan verantwoording. In dit opzicht ontstaat er opnieuw een eenpartijstelsel in een land dat een democratie met meerdere partijen heet te zijn.

1

General Introduction

1.1 Introduction

Prior to the 1998 municipal elections, Mozambique experienced poor local service delivery. With growing urbanization, local bodies felt pressure to provide adequate services under conditions of financial insufficiency. Resources remained insufficient to meet operational and maintenance costs. The mobilization process opened new avenues for improvements in service delivery coverage. In this light, the study has two objectives. First, to analyse critically the extent to which the new democratic municipal governments have the necessary capacities to respond to the needs of the communities they claim to represent. Second, to assess if the capacity-building initiatives provided by the Mozambican Central Government (CG), donors and NGOs to these new municipal governments are targeting Local Government (LG) capacities fundamental for improving basic service delivery coverage. These municipalities developed through decentralization reforms aimed at devolving responsibilities and functions to localities to help them respond effectively to the needs and wants of local communities. In this context, most proponents of effective democratic environments argue that together with local government, if local communities have the opportunity to participate actively in the policy process, they are more likely to help improve the content and outputs of policies for their own benefit. However, Cornwall (2004), Hickey and Mohan (2004), and Plummer (1999) recognize that there is a need to be aware of LG intentions behind opening spaces for participation, because they may be used to colonize interaction, shift dissent and to reproduce dominant groups' knowledge rather than bottom-up views. In addition, some recent literature on local governance emphasizes the advantages of local bodies, for being closer to local

communities to deal with local issues better than the CG, which is more concerned with broader geographical areas and national issues. Decentralization can allow all key local stakeholders to voice development concerns and target their priority needs and wants. A growing body of research suggests that local, participatory self-governance institutions must be the foundation of democracy. This emphasizes the ‘need for growth of civil society, development of “ownership” of political institutions, and mobilization of talents and resources...’ (Harbeson, Rothchild and Chazan 1994; Wunsch and Olowu 1990).

1.2 Background to the Research

Mozambique is on the east coast of Africa south of the equator. To the north, it borders Tanzania; to the south Swaziland and South Africa; its eastern shore is on the Indian Ocean and to the west lays Malawi, Zambia and Zimbabwe. Mozambique was a Portuguese colony until its independence in 1975.

Mozambique had a 16-year civil war (1976-92) that limited State capacity to provide services, as most of its budget went to sustain the war. The State of Mozambique effectively disintegrated during this period. The war destroyed most vital infrastructure including roads, telecommunications, schools and hospitals, and others. Despite limited transportation infrastructure, migration from rural areas, most affected by the war to the cities, caused rapid urban population growth taxing the weak existing urban services and infrastructure. While population growth continued and the available resources and economic growth declined, the *per capita* levels of urban expenditure continued to fall drastically as most State revenue went to the war. In 1992, the two contending forces Frelimo (Mozambique’s Liberation Front) and Renamo (National Resistance Movement) signed a peace agreement, which provided for transition from a single-party to a multi-party democratic system and the first multi-party elections took place in 1994. Frelimo won both the presidential and national assembly elections. The main challenges that the Mozambican State faced were to rebuild a country with little infrastructure in rural areas and to re-integrate a fragmented country into a unified state. Support from external donors and the will of the Mozambicans to end the war and rebuild their country were the two most important factors. It is also important to recognize that the political, economic and social reforms implemented since 1987 under the World Bank and IMF

Structural Adjustment Policies, launched the Economic Rehabilitation Programme (PRE) and later the Economic and Social Rehabilitation Programme (PRES). This coincided with the adoption of a new Constitution in November 1990 and the signing of the Rome Peace Agreement in October 1992 and helped create favourable conditions for the current decentralization process in Mozambique (Cistac 2001: 33).

Since decentralization to the local level is one of the mechanisms to cure the problems of centralization, recent literature on local governance considers it a process that may lead to good governance. To achieve good governance the main local actors including indigenous institutions, community based organizations (CBOs), the local government (LG) and the private sector have to participate actively in decision-making and service delivery to target local priorities effectively.

1.3 Brief Introduction to Decentralization in Mozambique

State failure in service delivery coverage, the Rome Peace Agreement and pressure from donors (WB and IMF) were some of the primary drivers of decentralization reform in Mozambique. The prevailing argument states that decentralization is to be gradual, with increasing powers, responsibilities and sources of revenue devolved over time to the local government. After the parliament passed (law number 2/97) on legal and institutional framework for local authorities, and (law number 11/97) on local finances, the first local elections took place in 1998 in 23 cities and 10 small towns in rural areas of the country. Renamo, the major Mozambican political opposition party refused to participate citing flawed electoral rules and procedures as reasons for their boycott. In the second local elections in 2004, the opposition Coalition Renamo-Electoral Union, a coalition of the major opposition party Renamo with other small parties, participated in elections and won in five of 33 municipalities. The third local elections took place in February 2009, only one independent opposition candidate won and he is currently the Mayor of Beira, the second largest Mozambican city. Frelimo defeated the coalition of Renamo and other smaller parties in all 42 of the remaining 43 municipalities in Mozambique. For the last municipal elections, 10 more small towns were added to the previous 33 municipalities in the country.

As the present Constitution of the Republic of Mozambique states, decentralization to the local level aims to organize the participation of

local communities in finding solutions for their own problems and promote and consolidate the democratic process in the country (Constitution of the Republic of Mozambique: article, 180). The local authorities were established as population and territorial units, with an elected mayor, a representative municipal assembly (MA) and an executive body called, the municipal council (MC). In terms of competence areas, the Mozambican municipalities have financial and administrative autonomy and their own infrastructure, but are subject to administrative oversight by the State. Financial autonomy is somewhat limited due to ceilings in the use of funds, particularly CG transfers assigned to specific tasks. The Mozambican municipalities are responsible for services in the following specific areas: access roads/streets, social housing, cemeteries, markets and fairs, fire and police services, water and sewerage systems, garbage collection, public transportation, electricity and street lighting, recreation activities, libraries, green spaces and others.

The sources of funds for the municipalities are:

- Direct transfers from the central government (CG)
- Taxes and revenue collection for licensing and service charges from (garbage collection, land use and open market vendors etc.)
- A series of taxes such as income and property tax (Cistac 2001: 209)

The MC and MA are autonomous bodies. Mayors and the municipalities themselves are under the scrutiny of the Minister of State Administration, an internal oversight body for municipalities. The Ministry of Finance and the Administrative Court are the external oversight bodies. In terms of institutional set up, the Constitution of the Republic of Mozambique defines municipalities as local bodies that have their own representation aimed at responding to local community interests, without prejudice to national interests. The sole executive body within municipalities is the mayor, elected every five years by voters in the respective municipality. The mayor has many responsibilities provided by the current legislation concerning the administration, representation of the municipality, execution, control and power to appoint and substitute officials including councillors. Apart from the mayor and MC, the local representative and deliberative body, the Municipal Assembly (MA) is also responsible for local policy decisions. According to Cistac (2001), this is the most obvious expression of multi-party and pluralistic political ideology in a municipality. The citizens residing in the municipality elect

their MA through a periodic, secret ballot. Candidates for the MA can be political parties, coalitions of parties and groups of citizens registered in the respective municipality. Candidates face election through closed, nominal lists and the law forbids changing the list in any way including altering the order in which candidates appear. The MA constitutes a number of members proportional to the number of electorates residing in the respective municipality. There are 13 members to 20,000 or fewer electorates; 17 members for 20,000-29,999 electorates; 21 members for 30,000-39,999 electorates; 31 members for 40,000-49,000 electorates; 39 members to more than 60,000 electorates. For those municipalities with more than 100,000 electorates, there is an added member for every 20,000 electorates. Contrary to the Mayor and the MA members, councillors are appointed, at least half or more of them by the Mayor and they are in charge of the various MC departments. Up to six councillors can be chosen from the MA, this helps the Mayor gain more support for his policy proposals in MA deliberations. For more information on institutional set up, see Chapter 4.

1.4 Justification of the Study

The current structures and processes of decision making of the new Mozambican municipalities differ from those before decentralization in the following aspects. After independence and during the top-down centralized socialist rule, government structures at the local level were Executive Councils composed of a chairperson or administrator appointed by the Central Government (CG) and three to five members appointed or elected by the City or District Assembly. These were designated local bodies of state and did not have financial and administrative autonomy in decision making as they depended heavily on the provincial and central governments. They were also different from the current municipal governments, which have formal financial and administrative autonomy and their own infrastructure including local elected bodies.

It was because of the establishment of these new municipal government structures namely a Mayor, a MA, a MC and new participatory processes to decision making, that the study seemed interesting to the researcher and was aimed at finding out if the Mozambican municipalities are ready to assume their new roles and have a positive impact on the lives of their local communities. It is also important to recognize that

donors provide a significant amount of funding, and capacity-building initiatives provided by CG, donors and NGOs to support the decentralization process are basic aspects necessary to promote good local governance. Specifically, the Ministry of State Administration (MSA) with funding from the World Bank (WB), provided training to local leadership and public officials from all 33 Mozambican municipalities in strategic planning, procurement, human resources management, revenue collection, planning and budgeting and infrastructure development. USAID, through its PROGOV-project aimed to promote citizen participation in decision-making and to improve the technical capacity of local officials in democratic management of resources and services in the municipalities of Vilankulos, Chimoio, Monapo, Nacala-Porto and Gurue. The Spanish Cooperation Agency built LG capacity in planning, administration, financial management, human resources and community participation in decision making in Matola and Manhica. The Austrian Development Agency helped increase capacity of LG officials in strategic planning, service delivery and accountability mechanisms and by providing civic education in various areas including community participation in development planning in Dondo and Marromeu. Taking into account the essence of these initiatives, the second main research question asked at the end of chapter 3 relates to the extent these capacity-building initiatives addressed gaps and enabled the new municipal governments to perform their new roles effectively.

Academically, the participatory approaches to governance and LG capacities to translate these participatory approaches into concrete results, particularly in democracy, appear to have received little attention in Mozambique. The studies conducted, such as research into drafts of the Local Government Act and studies on new roles for traditional leaders, all about local governance in this country have been limited to a few areas mainly related to the administrative purposes of the MSA. USAID also conducted studies in municipal governance and corruption in Mozambican municipalities. Authors such as Guambe (1998), Lundin and Alfane (1999), and Weimer (1998) performed relevant studies on decentralization and the role of traditional authorities. Other studies were published by the *Centro de Integridade Pública* (Centre of Public Integrity-CIP), Regional Information Centre on Local Governance and the WB. The difference is that this one is a detailed research study that combines the fields of leadership, politics, participatory approaches of LG to govern-

ance and the crucial capacities that enable LG to translate these participatory approaches into positive results. In this context, this study aims to fill this literature gap and contribute to the debate on concepts and theories of decentralization, local governance and participation in Mozambique.

Another important justification of this study relates to the powers, functions and responsibilities that the Mozambican Local Government Act (1997) gives to mayors compared to some selected African countries such as Ivory Coast, Uganda, Botswana and Burkina Faso. It seems that in Mozambique these leaders have much more space to manoeuvre and therefore in principle may respond to their electorates' priorities better than in those other African countries because the Act makes them more independent from the CG, and less dependent on the MC and MA. The question asked was whether the Mozambican Mayors do take advantage of these provisions and respond to their communities' needs effectively. The following section addresses these issues in more detail.

An analysis of the powers, authority and responsibilities of mayors and councillors in these selected countries, shows that in Uganda (MacCarney 1996: 114), the mayors are appointed not elected, this means that they are accountable to the CG and not directly to local communities. They have delegated power and have no autonomy to make and implement major local policies. In Botswana, although mayors are elected, it is not directly by local community members, but by the Council. So, they are likely to be more dependent and accountable to it than to the communities they claim to represent. In Ivory Coast (MacCarney 1996: 114), although mayors are appointed from elected council members, compared to Mozambique and Burkina Faso (MacCarney 1996: 70) they appear not to have sufficient flexibility and space to exercise leadership and adopt policies that reflect the real needs of the people they claim to represent because the MC demands power sharing. As cited, in Mozambique, mayors are elected and have power to appoint and substitute councillors and officials. Mayors are the heads of administration, execution, control and implementation of policy decisions and represent the municipality. The study acknowledges that in Mozambique, local government leadership, particularly the mayor was worth studying because the local institutional set-up provides him/her with the powers, responsibilities and functions mentioned above, thus he should be more flexible and in a better position to respond to his electorates' needs and wants effectively.

This is important because the way in which mayors use their powers to appoint councillors and run municipal affairs affects the ability of a municipality to assume new roles. In addition, the effective performance of municipalities requires the mayor to have a political will and commitment to involve local community institutions (CBOs) in decision-making, to target their needs better. Because of its importance for an effective LG performance, the following sections discuss LG leadership in detail.

1.5 Research Objectives

General objectives:

- The main objective of this study is to assess critically the extent to which the new Mozambican municipal governments are able to assume their new leadership role and have a positive effect on the lives of their locals.
- The second objective is to learn whether the capacity-building initiatives delivered by the CG, donors and NGOs to Mozambican municipalities are enabling them to improve service delivery coverage.

Specific research objectives:

- To identify and examine the factors that determine LG leadership capacity, LG capacity to plan and make decisions, LG administrative and financial management capacity and LG capacity to convene other actors in selected municipalities.
- To assess if the capacity-building initiatives provided to LG by CG, donors and NGOs are targeting and improving crucial areas for improvements in service delivery coverage such as LG leadership, LG planning and decision making, LG administration, LG financial management and LG capacity to convene other actors effectively.

1.6 Plan of the Thesis

This thesis contains six chapters. Chapter 1 introduces the study, discusses the background to the research, the justification of the study, the research objectives and the plan of the thesis. Chapter 2 discusses theories on decentralization, local governance; it studies the analytical framework, namely LG effectiveness as improved service coverage, political

factors of LG effectiveness such as leadership personal characteristics, the influence of political parties in decision making and LG institutional set-up. The analytical framework in Chapter 2 also includes LG capacities to translate participatory approaches to governance into positive results namely, the capacity of LG to plan and make decisions, administrative and financial management capacity and the capacity to convene other actors in governance. Chapter 2 also discusses theories on capacity-building initiatives and provides the study's research questions. Chapter 3 presents the research methodology and the five cases studied. Chapter 4 analyses each factor that explains improvements in basic service coverage. Chapter 5 analyses success and failure in service delivery coverage per case study. Finally, chapter 6 offers concluding reflections on theories of decentralization and responsive government to match the theoretical aspects in the thesis with evidence from the field.

2

Decentralization and Local Governance: A Theoretical Exploration

2.1 Introduction

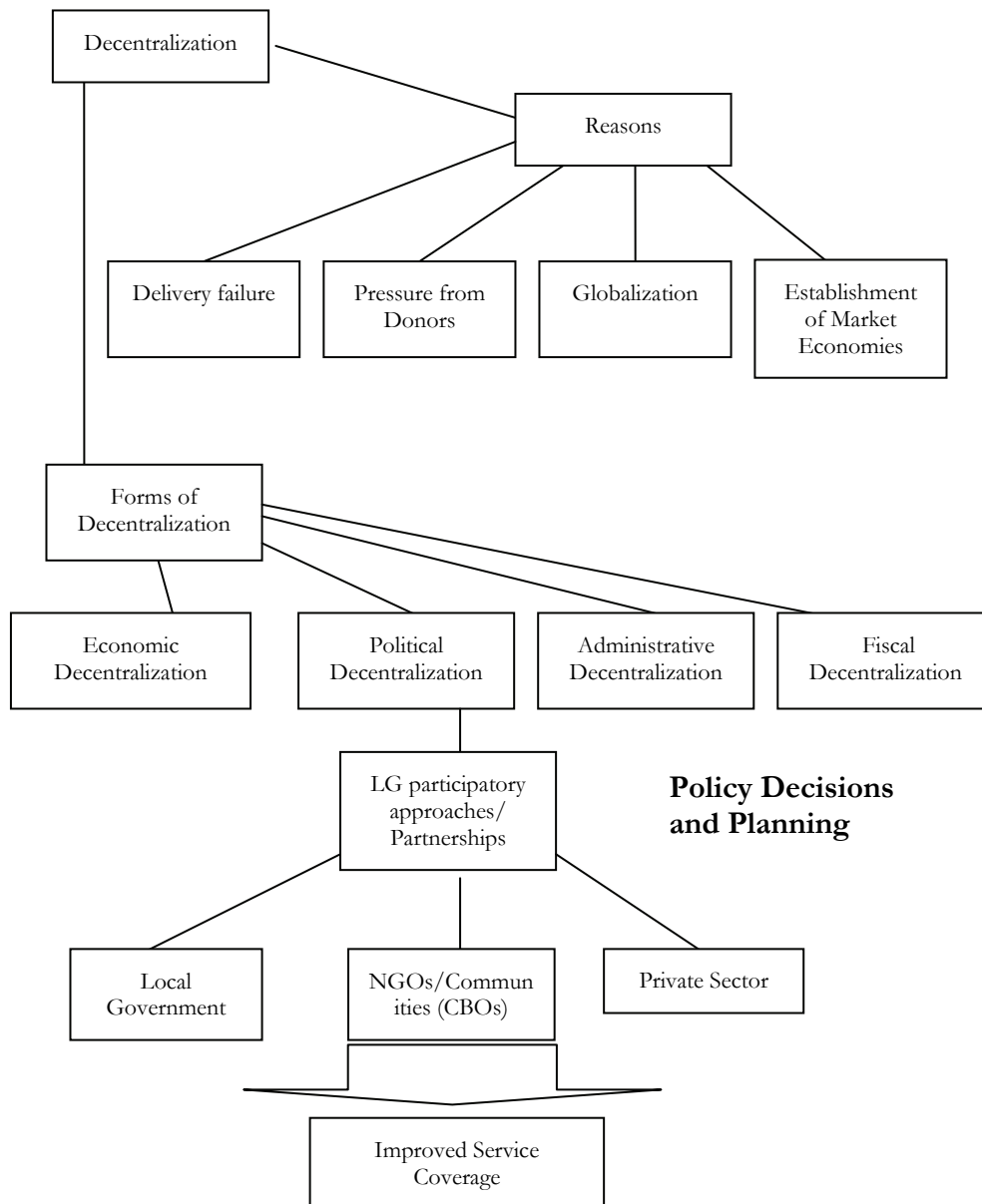
This chapter explores the major concepts and theoretical approaches on decentralization and local governance and discusses the crucial capacities that Local Government (LG) needs to perform its new duties and have a positive impact on the lives of the communities it claims to represent. The chapter also aims to provide clarity on these important concepts and build a meaningful theoretical framework useful in exploring the relevant capacities needed for LG to assume its new roles effectively. Such capacities appear as dependent and independent variables. The study has a *dependent variable*, which is LG improved service delivery coverage to local households, and *independent variables* namely LG leadership personal characteristics, the influence of political parties in decision-making and LG institutional set up. Other *independent variables* may also have a positive influence on LG improved service coverage discussed in this chapter. They are LG planning and decision-making capacity, LG administrative capacity, LG financial management capacity and LG capacity to convene other actors in local governance. The following sections address these issues in more detail and discuss the relevance of capacity-building initiatives in improving LG performance. The final section of the chapter presents the research questions.

2.2 Decentralization in Developing Countries

Figure 2.1 illustrates the reasons why nation states decentralize and the types of decentralization they undertake. Many scholars argue that decentralization is a process to cure the ills provoked by centralization. For instance, Wunsch and Olowu (1990) argue that the widely cited objective of decentralization in Sub-Saharan African countries is to resolve the failure of the centralized State. Thus, decentralization is a process also believed to lead to local governance, the interactive form of defining and delivering basic services where the LG, the private sector, NGOs and CBOs all contribute actively in the policy process and are more likely to improve local basic service delivery coverage. The lower part of the figure illustrates these participatory approaches to governance, under political decentralization, which is the focus of this study.

According to Nijenhuis (2002), decentralization means the transfer of authority and responsibility for public functions from the CG to subordinate, lower government organizations or the private sector. There are four types of decentralization-political, administrative, fiscal and economic. Conyers (1995) considers decentralization the deliberate and planned transfer of authority and resources away from the central state institutions to peripheral institutions. Valsan (1999) goes further and states that the concept of decentralization is less clear because it is newest in relation to governance and democracy. He also argues that the frequent confusion within countries over the issues of *decentralization*, *devolution* and *deconcentration* have added some misunderstandings to the debate over decentralization. For this author, decentralization is the *devolution* of both responsibilities and resources to relatively independent and autonomous sub-national authorities that are accountable not to any central national leadership of the country, but to the citizens of the region and/or community (Valsan 1999: 6). Olowu and Wunsch (2004) define decentralization as those legal acts and administrative measures that initiate a transfer of responsibility (authority), resources (human and financial), accountability and rules (institutions) from central to local entities. This involves a long political and administrative process (Olowu and Wunsch 2004: 5). What is important here is that the transfer of authority, resources and responsibilities to the local level is likely to improve LG performance if there are participatory approaches to local governance. However, if top-down approaches to governance, lack of transparency

Figure 2.1
Decentralization tree



Source: Adapted from related literature (Adamolekun 1999; Cohen 1999; Nijenhuis 2002; Olowu 2001; Rodineli 1981; Smith 1985; Wunsch 2004).

and accountability persist at the local level, the chances of mismanagement of public funds and inefficient service delivery will persist.

This paper addresses four reasons why decentralization is taking place in developing countries—the central government’s failure in developing countries to deliver services efficiently, globalization, pressure from donors and the need to establish market economies (Cohen 1999; Nijenhuis 2002; Olowu 2001). Within these four reasons, the study will focus on central government’s failure to deliver and on pressure from donors, which are some of the reasons that have driven Mozambique to decentralize. Apart from these reasons for decentralization, other authors (Adamolekun 1999; Cohen 1999; Nijenhuis 2002; Smith 1985) discuss forms of decentralization in developing countries. Other authors who discuss these issues are Olowu (1999), Rodinelli (1981), Rodinelly and Chema (1983), Swilling (1997), and Wunsch (2004). The forms of decentralization are economic, administrative, fiscal and political. The focus of this study is on political decentralization, but it also discusses administrative and fiscal decentralization within its analytical framework. Political decentralization strives to give citizens and their elected representatives more power in public decision-making (Cohen 1999; Nijenhuis 2002). Key words in this process are pluralistic politics and representative government. This type of decentralization also gives citizens and their representatives more influence in the formulation and implementation of policies that affect their interests. Nijenhuis (2002) further argues that political decentralization may lead to the state of *devolution*, considered the most complete form of decentralization, because it transfers authority for decision-making, finance and management to semi-autonomous units of LG. In practice, municipalities with an elected mayor and elected MC have responsibility for public services. According to Rodinelli and Chema (1983), *devolution* (ideal type of decentralization) is the establishing or strengthening of sub-national units of government that have broad authority for operations across sectors. Swilling (1997) also includes *devolution* and *full devolution* in his discussion of decentralization. According to him, in *devolution*, LG formulates policies and implements them, while CG mobilizes financial resources for LG. This means that CG may not approve some LG policies, since the latter has full control of financial resources. *Full devolution* for Swilling (1997) is the ideal type. The LG formulates policies, mobilizes resources (including financial) and implements those policies. In the same context, in administrative decentraliza-

tion there are three types of decentralization *devolution*, *delegation* and *deconcentration* (Cohen 1999). Adamolekun (1999) and Smith (1985) argue that according to the conventional definitions, when only responsibility or authority is transferred, but not resources or local accountability, one has *deconcentration*. When responsibility, authority and resources are transferred, but accountability remains in the centre, there is *delegation*.

Here one must consider that one of the main aims of decentralization is to bring government closer to communities, because local bodies are believed to deal with local issues better than CG, which is more concerned with broader geographical areas and national issues. The new paradigm in development aims at decentralizing in order to ensure good governance. Good governance in this paradigm is participatory, where the local government together with the local communities (CBOs) and the private sector participate actively in decision-making and service delivery.

2.2.1 Decentralization in Africa

According to Olowu and Wunsch (2004), democratization in the 1990s, brought decentralization reforms in Africa linked to the processes of political liberalization and democratization. In many countries, this represented a discontinuity with past approaches to decentralization, in that the new process attempted to create genuinely participatory local governments that are responsible to the local communities and relate actively with local economic actors other than state institutions. This is what some term it local embeddedness (Evans 1996; Helmsing 2000 in Olowu 2001; Ostrom 1996).

Olowu (2001) argues that two forces are orchestrating democratic and devolutionary decentralization in Africa. Donors and civil society actors promote the first force aimed at empowering the people by giving them greater voice, opportunity to promote self-governance and resource mobilization. In particular, democratic decentralization is sought to remedy the three most serious institutional weaknesses of African governmental systems—weak accountability, poor integration between formal and informal structures of governance and, poor quantity and quality of basic service delivery. The second force orchestrating the demand for democratic decentralization is from central state actors who see democratic decentralization as an opportunity to dump responsibili-

ties, which they can no longer deliver, given the steady decline of state financial and human resources. Furthermore, Olowu (2001) states that these two streams have stimulated democratic decentralization, but they also contributed to some of the most serious obstacles that the implementation of democratic decentralization confronts.

By the early 1990s, some countries had implemented progressive and democratic policies on decentralization; others maintained old forms of deconcentration-decentralization. Here are some samples of each as well as a few that seem to be a synthesis of both:

- Old/deconcentration: Ghana, Cameroon, Kenya, Malawi, Zambia;
- New/devolution: Mauritius, Botswana, Uganda, Nigeria, Mali, Ivory Coast, Tanzania;
- Mixed/partial devolution: (urban areas only) Namibia, Mozambique, Burkina Faso.

Source: Olowu and Wunsch (2004: 39).

Some countries have continued with the model in which power over local services as well as resources, and accounting for them still reside with CG, despite the decentralization programmes, which involve the transfer of responsibilities and resources to locally elected leaders (Olowu and Wunsch 2004: 39). Olowu and Wunsch (2004) also argue that decentralization in Africa took place under national democratic systems of governance, non-democratic governments and under State collapse.

Decentralization under national democratic systems of governance

These authors further argue that in South Africa, the first post-apartheid governments were determined to keep the best in the system of government they inherited, while committing the country to reform and redesign for a newly democratic society. The South African Transitional Constitution resulted in a compromise, whereby three spheres of system of governance exist—national, regional and new local governments, all within a unitary system of government (Olowu and Wunsch 2004: 41). The autonomy of South African provinces is quite appreciable and local governance in this country is real, even though it has been subject to changes since the African National Congress (ANC) came to power in 1994. An assessment of local government in South Africa shows that there was no need to reinvent it, the Apartheid structures have been

adapted, developed and democratized, to reflect an incremental progression to non-racial local governments (Pycroft 1996).

In Uganda, the Constitution of 1997 stipulated that, among other political objectives, the State must base itself on democratic principles, allowing the people to participate in governance. The Constitution of Uganda also guarantees that civil organizations can maintain their autonomy to achieve the objectives defined by them. Governance in Uganda incorporates a system of local decentralization and devolution considered by internal and external assessors as significant, free and popular (Langsth 1995; Steffensen and Trollegaard 2000 in Olowu and Wunsch 2004: 41). According to an analyst critical of the National Resistance Movement in Uganda, presently in power, the Ugandan democracy retains the form of a unitary but highly decentralized state (Carbone 2001). The stability and commitment of government to decentralization, the general context of lawful and relatively orderly administration, and the elections held in the countryside contributed to a favourable context for decentralization in Uganda (Batkin 2001 in Olowu and Wunsch 2004: 42).

Botswana has a record as one of the longest lasting liberal democracies in Africa. It has witnessed peaceful change of power since independence in 1965 (Olowu and Wunsch 2004: 42). Relatively free and fair elections, tolerance of free expression and the rule of law created a favourable context for LG to develop. Major constitutional changes have influenced power sharing between traditional and modern institutions, and these have a tendency to affect local governance positively in areas such as land ownership and gender (Lekorwe 1998; Molutsi 1998 in Olowu and Wunsch 2004: 42; Otlhogile 1998).

Decentralization under non-democratic governments

Nigeria, Ghana and Kenya began their decentralization programmes under authoritarian regimes. In Nigeria, the federal military government of General Murtala Mohamed initiated local government reform as a part of his five-point preparation of the country for the restoration of civilian governance in 1976. The turbulence of military governance, particularly under Ibrahim Babangida and Sani Abacha, created a social and political context where legal and structural reforms initiated at the centre had difficulty transforming into a viable system of local governance (Olowu and Wunsch 2004: 42-3).

Also in Ghana, decentralization was presented as a way of bringing back democracy under the military rule of Flight Lieutenant Jerry Rawlings (Clarke 2001 in Olowu and Wunsch 2004: 43; Rothchild 1995). According to Ayee little progress was made under Rawling's government, both before and after formal democratization because the CG was more interested in retaining control than encouraging local governance (Ayee 1996 in Olowu and Wunsch 2004: 43). This means that the quality of central governance compromised democratic governance at the community level in both Ghana and Nigeria.

Kenya once had an enviable system of local government, but patrimonial patterns of power exercised by an increasing corrupt and authoritarian centre eroded it (Olowu and Wunsch 2004: 43).

Decentralization in a Post-war State

Decentralization in Mozambique occurred after a 16-year civil war and four years after the first general, multi-party elections. As a country, which has adopted the WB and IMF structural adjustment policies, these institutions have played a role in shaping decentralization policies in the country. Decentralization to the local level was a step forward towards improving the quality of service delivery in the country compared to the stagnation and poor service delivery during the single-party, centralized regime.

Thus, despite attempts in many African countries to decentralize, decentralization policy goals and objectives are diverse because many CGs are afraid to relinquish power and competencies. This fear relates to the loss of financial control of national revenue, and the consequent loss of decision-making in revenue management. Behind this are attempts to mismanage funds, corruption and the self-interested rationality of politicians and bureaucrats, who inevitably produce inflated bureaucracies because they aim to maximize budgets and the number of people they employ (Tullock 1976). As the next section on local governance will show, it is not easy to draw fixed boundaries between theoretical aspects related to decentralization and local governance. It is also not easy to draw boundaries between these two concepts utilizing new trends in good governance. Many scholars see decentralization as a way forward to achieve good governance, in which LG interacts with the main local actors, including external actors. As such, the needs and wants of local communities are more likely to be addressed accordingly.

2.3 Local Governance

New trends in local governance advocate participatory approaches to the policy process. This is why the present Constitution of the Republic of Mozambique describes decentralization to the local level as a process of organizing community participation to find solutions for their own problems and to promote democracy and local development (Constitution of the Republic of Mozambique, article 180).

The concept of local governance has changed focus in the present democratic dispensation, and relates closely to the need for participatory approaches to decision-making and implementation. This means changing the policy process from top-down approaches to decision-making and implementation to more interactive ones at local level. In top-down decision-making, the CG defines development policies and mobilized resources on behalf of the LG and local communities, leaving policy implementation to the responsibility of the LG. In most cases, policies reflect neither the target groups' needs nor the dynamics of the implementation process, well known by local public officials who deliver services. On the contrary, and as shown in *devolution*, LGs involve other actors in local development. These participatory approaches to the policy process are the core elements of good governance.

According to Olowu and Wunsch, local governance is a rule-governed process through which residents of a defined area participate in their own governance in limited, but locally important matters. They are the key decision-makers in determining what their priority concerns are, how they will respond to them, and what and how resources will be raised to deal with those concerns; and are the key decision-makers in managing and learning from those responses. Representatives of these local residents may and will frequently function as agents, but they will remain accountable to (and removable by) the people included in the local regime through procedures specified by law (Olowu and Wunsch 2004: 5). Further, Kooiman and Van Vliet (1993) define the concept of local governance as '...the creation of a structure or an order which cannot be externally imposed, but is a result of interaction of a municipal government and other influential actors' (Kooiman and Van Vliet 1993 in Stoker 1996: 64).

A comparison of democracies and non-democracies indicates that in the former, people participate in political and decision-making processes

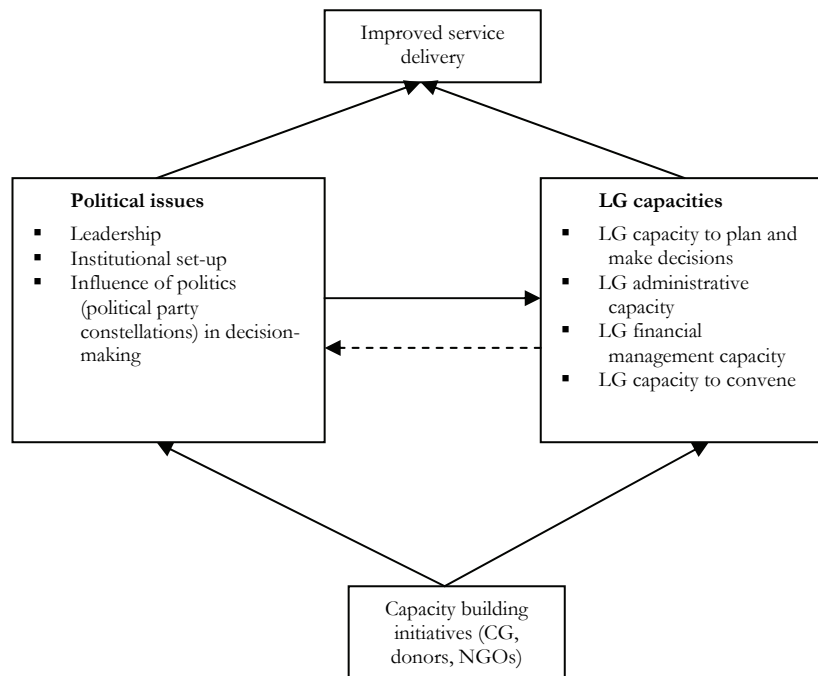
without considering their race, color, physical ability, etc. They are able to decide on their destiny directly or through their representatives. Each individual has his vote and these votes are effective and able to change decisions. In non-democratic regimes, people do not participate in political processes and they are restricted by a central body. The government has absolute powers over its citizens and nobody has a right to participate freely in elections, decision-making processes and so on. The government dominates every thing and every activity within the territory of its sovereignty (Ellen 2002). As the thesis focuses on democratic participation, more attention was given to democratic governance. Recognizing that there are countries such as Japan, South Korea, Singapore, Chile, etc. that developed under centralized states, they then, became decentralized for more improved service delivery (Burton 2008; Kiuchi 2005; Stevens 2006, 2008). Within a democratic system, local governance means a change in paradigm, where if there is an effective participation in decision-making, it may be regarded as a cure for the failure of top-down policy decisions and implementation, poor service delivery, increasing levels of poverty and similar problems, particularly in developing countries where decentralization is taking place. Local governance in this context should be a process that allows marginalized communities to voice their development concerns. In an effective democratic environment, they may also interact with the government in policy decisions to help target their own priorities effectively. Concerning gender issues in decentralization, according to Hollis the most effective way of strengthening women's participation in politics may be to devolve power to LG where women are, rather than to seek to bring women to where power currently resides. Hollis further comments on the common assumption that women have a special affinity with LG or local democracy, which suggests a relationship between decentralization and sexual equality. If women are more likely to engage in politics at the local level, or with the kinds of decisions made in the locality, then shifting the balance between central and local government could help shift the balance between men and women (Hollis in Stoker 1996: 111). Thus one may state that local governance in a democratic environment must focus on participatory approaches to decision-making and implementation. Devolution, where LG defines policies, mobilizes resources and implements them with less interference from CG seems a more appropriate method of achieving this. In devolution, LG should involve other actors in local development

for local policies to reflect local communities' actual priorities; these participatory approaches, if effectively applied, are fundamental to good governance.

2.4 Factors of Local Government Effectiveness: An Analytical Framework

Before discussing the main capacities of LG to perform its duties in democracies, it is important to consider that progressive ideas and political rhetoric about devolution of power to sub-national governments must coincide with the political will at central level to relinquish power to those sub-national entities (Visser 2005). In this context, LG autonomy is a critical principle that must underpin the decentralization effort. If

Figure 2.2
Analytical framework



Source: Adapted from the authors cited in the literature review.

LG does not have sufficient and real powers, it cannot increase citizens' options (Visser 2005). In addition, good governance is central to creating and sustaining an enabling environment for development. According to the UNDP (1997), the core characteristics of good governance include transparency, participation, responsiveness, accountability, legitimacy, partnerships, rule of law, consensus orientation, equity, effectiveness and efficiency; strategic vision, resource prudence, ecological soundness, empowering and enabling and special grounding in communities, aspects dealt with in more detail throughout this chapter. Poor or bad governance often undermines development and the legitimacy of government. Under conditions of poor governance, corruption and lack of public participation of beneficiaries have undermined programmes for poverty alleviation, food and job security (David et al. 2005). Governments are only one of several stakeholders in the governance process. As such, it is upon them to learn new ways of governing with the public as active partners in an ongoing development process (Davis et al. 2005: 64). The analytical framework of the study appears in figure 2.2.

This study has as its *dependent variable*, improved Local Government (LG) service delivery coverage to local households. For LG to fulfil this goal the following *independent variables* are considered essential political issues for LG to address participatory approaches to governance, and may contribute effectively to improvements in LG service coverage, they are the following ones:

- LG leadership's personal characteristics;
- The influence of politics (or political party constellations) in decision-making; and
- The LG institutional set-up.

Apart from these independent variables, the following LG capacities are some other *independent variables* that may have a positive impact on LG improved service coverage:

- LG planning, decision-making capacity and its ability (budgetary provisions) to incorporate participatory approaches in this process including the ability to absorb CBOs micro-planning or other forms of community participation in overall LG planning and budgeting;

- LG capacity to manage administrative aspects such as human resources and the capacity of the latter to translate LG decisions into effective actions;
- LG financial management capacity;
- LG capacity to convene other actors in local governance namely donors, NGOs/CBOs, the private sector and other key partners including the effectiveness of existing spaces for participatory local governance.

The study also evaluates the degree of effectiveness and efficiency of capacity-building programmes delivered to Mozambican municipalities by CG, donors and NGOs. The following sections address these issues in more detail.

2.4.1 LG effectiveness as improved service coverage

Since the end of the colonial period, in all Mozambican municipalities LG is the main provider of public services and the key player that coordinates the provision of goods such as electricity and water. As mentioned above, improved LG service delivery coverage to local households is the study's dependent variable. The LG services and goods provided such as water and sewerage, garbage collection, public transport, social housing, access roads/streets, electricity and street lights were assessed to find out whether more community members were benefiting from them presently, compared to the period before these municipalities were established in 1998. The dependent variable, improved service delivery coverage, was chosen as a measure of the effectiveness of the current decentralization process and local governance in the municipalities studied. Although the dimension of democratic participation in decision-making can be seen as an end in itself, this study treats it as a means to achieve an end, which is an improvement in service delivery coverage. The justification for this is that, as the Local Government Act (1997) states, the decentralization process in Mozambique is aimed at improving service delivery coverage to communities using more democratic practices, which the centralized socialist system failed to achieve. The degree of community satisfaction with the coverage of outputs of policy decisions that have major repercussions in their living conditions indicated such improvements. As the decentralization process in Mozambique is also meant to strengthen the democratic process, the study assessed local community participation in decision-making

to discover whether local policies and their outputs and outcomes reflect the priorities of the communities' LG claims to represent. This means that effective policy results in a democratic environment are more likely to be achieved better provided local community members have the opportunity to voice their development concerns in the policy process, whether through effective direct or representative democratic means. So both dimensions, namely democratic participation and improvements in service delivery coverage, were assessed, but as the aim of the study was to find empirical evidence concerning local policy outputs, the dependent variable chosen is improvements in service delivery coverage. Section 2.4.5 provides more information on community participation in decision-making.

2.4.2 Political factors of LG effectiveness

The study recognizes three essential political issues that can enable or inhibit LG from addressing participatory approaches to governance effectively. Such issues are the LG leadership personal characteristics; the influence of politics (political party constellations) in decision-making; and the LG institutional set up.

The role of leadership

Personal characteristics

Leadership is central to politics and government, it is the dominant force for good governance in general and high performance organizations in particular (Davids, Theron and Maphunye 2005). Leaders at various levels of government have to set the values that their subordinates are expected to achieve. In this regard, the Book of Proverbs in Elcock (2001: 3) reminds that, 'where there is no vision the people perish'. Vision has to come from leaders. We often hear people complain that the 'scum rises to the top', or 'a fish rots from the head down', when they are pessimistic about the organization for which they work. Forsyth (1990: 216) states that leadership is a reciprocal, transactional and transformational process in which individuals may influence and motivate others to promote group or individual goals. On the one hand, as Hegel (1822) and Carlyle (1841) in Elcock (2001) argued, the world historical figures or 'Great Man' emerges to change the course of history when needed. For Hegel, such 'world historical individuals' are the 'chosen

vessels of the spirit', but, they may act from selfish or wicked motives (Plamenatz 1963: 205). The elite theory in this regard, states that small groups of office holders inevitably dominate all political structures. Along this line, recent research in African leadership argues that many African leaders are less responsive to the demands of the governed because they lack personal commitment to organizational goals. In addition, Montgomery (1987) says that to carry out administrative reforms in the African context, it would have to be the act of individual leadership. Political leaders allow access to state resources by illegitimate public officials, and corruption in many sectors remains unpunished. Leaders that are not exemplary encourage corruption and self-serving attitudes (Hope 1997: 94). This transforms the public sector and its services into patrimonial systems managed on ascription rather than on merit.

Contrary to the shortcomings of leadership mentioned above, Hyden (1992) states that responsible leadership relates to the attitudes of political leaders towards their role as public trustees, and is reflected in the degree of respect for the public realm, the degree of transparency in public policymaking and the extent of adherence to the rule of law. According to Elcock (2001), leaders at various levels have to set the values that their subordinates are to achieve. In the same context, Nutt and Backoff (1992: 437) and Shwella et al. (1996) indicate that leaders in public sector organizations should continuously assess the organization's changing external and internal environment to determine changes, threats and opportunities, and communicate them to staff (the SWOT approach).

Leach and Wilson (2000: 17) define four leadership tasks in local authorities-maintaining cohesiveness, developing strategic and policy direction, representing the authority in the external world and ensuring programme implementation. For LG to assume a positive role, effective government leadership with the necessary political will and commitment to enhance good governance practices is crucial. In Mozambique, there is a new Local Government Act and decentralization policies, but as Plummer (1999) argues, lack of leadership undermine legislation and policy at the local level. Without effective local leadership, efforts for an LG effective response to local community needs may be in vain even if local officials attempt it in good faith. If the political reforms taking place try to achieve new forms of governance, leadership and community participation are both important because they will contribute to a shared vision and legitimacy of the policy process. This interaction will also minimize

the disadvantages associated with uncontrolled power as participation, transparency and effectiveness increase accountability and problem solving capacity as well as trust in political institutions (Haus, Heinelt and Stewart 2004).

Leach and Wilson (2000: 9) also suggest two sets of influence on leadership: the political and organizational culture and, the leader's personal agenda and political skills. In between is an area of uncertainty or negotiation. The first set of influences on leadership, the political and organizational culture, reflects the embeddedness of leaders in social, economic, political and cultural environments in which they operate. That is the reason why patron-client relations may also be found at the local level and may influence negatively the performance of local leaders. Nevertheless, one has to acknowledge that in politics individuals may change the culture and the rules of the game either for their own personal benefit or for those they claim to represent. If structural constraints are to be dealt with, it is the leadership at the top that, in most cases, initiates the process and sets an example to other leaders at lower levels. Structural constraints of relevance to the subject of this paper are at the level of institutional set-up and the way rules and regulations are applied and monitored. This also includes the capacity to sanction bad behaviour and reward exemplary leaders and public officials. Within this discussion on leadership, the focus of this study is on effective leadership and what can be gained from it. In addition to the aspects mentioned above, the personality of the local leader is that of an innovative leader or something similar to what Weber (1976) calls public-charismatic leadership. This entails a special relationship between leaders and followers and the support that senior managers (with skills in participatory approaches) can give to field officials. This may also contribute significantly for LG to assume an effective leadership role and respond to local needs. Other types of leadership are administrative-organizational leadership and political-executive leadership. On administrative-organizational leadership, Selznick (1957) stresses a view that it controls the work of organizations and administrative procedures, especially with the outputs and outcomes going beyond efficiency and administration in providing for creativity and responsiveness in the organization. However, political-executive leadership is a publicly exposed position or performance able to define the political goals or visions of the local community and political institutions (Elcock 2001). All these leadership characteristics are cru-

cial in enhancing good governance practices at the local level, considering what Haus, Heinelt and Stewart (2005) call the institutionalization of the role of leaders as well as the personal enactment of their roles. The authors further argue that in an institutional sense, urban leaders are actors who hold a position at the top of the city's administration or political bodies, endowed with (a) organizational resources unavailable to other actors, (b) political influence unavailable to other actors, (c) overall responsibility for urban policies, and (d) representative functions not carried out by other actors. Leaders are publicly visible in what they do and politically accountable for their actions by consent of the citizenry or its representatives and controlled by modes of public communication (informational rights, local media) (Haus et al. 2005: 27). The type of leaders, which this study focuses on, namely mayors, councillors and municipal assembly members differ from other kinds of leaders. According to Haus and Heinelt in Haus et al. (2005), public visibility and accountability distinguishes urban leaders from other actors who might be influential in key local decisions, but who are not accountable.

These authors recognize the importance of not neglecting other kinds of 'leaders' for example, 'community leaders' or 'business leaders'. This kind of leadership belongs to the side of 'community involvement' (Haus et al. 2005: 28). For this study, borrowing from Haus et al. (2005), leadership means government leaders who hold positions institutionally linked with a 'willingness to follow' (via elections) and endowed with the chance to mobilize further 'willingness to follow' by performance or helpful circumstances. Yet when it comes to issues of complementarity in sustainable policies all those who share some kind of power fall under scrutiny.

According to Elcock (2001), it is important to study the extent to which leader's attributes and backgrounds influence their performance in office, and the extent to which their performance derives from the institutional context of their careers and circumstances in which they came to power. Thus, the personal characteristics of a leader may play a role in LG affairs. Municipalities with leaders with higher academic and professional qualifications, vision, capacity to have constructive relationships with the CG, other LGs, local Municipal Assembly (MA) members and municipal councillors (MC), are likely to perform their functions better. The ability of local leadership (mayor and MA members) to deliberate and adopt correct local policies is important in targeting community

needs. Innovative leaders with the political will and commitment to advance a local development agenda make a difference in LG performance. To substantiate this, Lazin (1994: 78) argues that the bargaining abilities of mayors during the implementation of Project Renewal in Israeli municipalities, proved vital in determining the level of renewal resources a municipality received from ministries. The influence of each mayor in this project reflected his resources, authority, style and desire to lead. Furthermore, they argue the better the professional reputation of municipal agents, the greater the influence on political superiors and ministry professionals and the overall input in the Municipal Project Renewal in Israel (Lazin 1994: 79). The literature on leadership was also important for the design of the research questions and selection of indicators. Some of the indicators that resulted from this section were mayor's capacity to lead and be followed; mayor's capacity to have vision, appoint councilors and relate to MA members; mayor's capacity to deliberate, influence and adopt the right policies and represent the municipality.

Concerning leadership, the study does not discuss the role of traditional leaders in local governance, because immediately after independence Frelimo, the ruling party in Mozambique, banned them. They were considered allies of the colonial rule. New local leaders, the Ward Secretaries, replaced them and mobilized communities to support the socialist regime implanted in the country. With the end of the 16-year civil war, Renamo, the rebel movement, revived the old traditional leaders with the aim of getting their support in elections. This led Frelimo to register and devolve power and responsibilities to them in order to get their support in elections to the detriment of Renamo. Due to the ban, they are present not so much in municipalities as in rural areas. Although they have come back to power, their responsibilities are limited within the municipalities, as they share that power with the many Ward Secretaries created after independence that support the ruling party. For more information on local leaders, see sections 4.4.4 and 4.5.4.

Leadership, patronage, clientelism and corruption

As mentioned, poor leaders encourage corruption and self-serving attitudes, which transform the public sector and its services into patrimonial systems managed on ascription rather than on merit. Hyden (2000: 18) regards patrimonialism as having its roots in Max Weber's notion of patrimonial authority, which is the exercise of power in small-scale face-

to-face types of traditional communities where a person rules due to his personal power and prestige and the followers are subjects. To Piattoni (2001), patronage is sometimes used to denote public resources—jobs, goods and public decisions—which constitute the object of exchange between patrons and clients. Although it relates to class, local, or ethnic bias to public decision-making, it does not systematically bend public decision-making to favour selected individuals, and it is not perceived as wrong or immoral as long as the representatives channel back to the community in reference, constituency-resources from the state (op. cit.: 6-7). Piattoni (2001) also points out that clientelism is more penetrating and more encompassing than patronage; it goes from a birth certificate to a building permit, from a disabled pension to public housing and from a development project to a tax exemption. In this characterization, clientelism implies patronage, to bend the public decision-making process around a particular criterion, in view of the electoral return this would yield, the elected officials, hence control (although informally) their hiring, firing and advancement. Furthermore with clientelism, the emphasis is on clients; how to win their vote, retain their support and command their allegiance. This shows that the balance of power between patrons and clients has shifted in time: democratization and the extension of citizens rights and the bureaucratization of political leadership, have redefined the balance of power between patrons and clients. Clients now choose to enter clientelistic deals to access public resources not out of coercion. Piattoni (2001) stresses that they increasingly do it as members of broader categories of individuals with grounds for claiming publicly allocated resources. Patrons are no longer secure in their power base, as this depends on political consensus. Because there are no enforcement mechanisms, they have no certainty that deals will be honoured (Piattoni 2001: 7). According to Lemarchand (1972), the concept of a patron-client relationship has two main variations, traditional and modern. The traditional form, particularly in Africa has four sub-divisions: patrimonial (king-chief), feudal (noble-serf), mercantile (trader-customer) and saintly (religious leader-follower). The modern form of patron-client relationship embraces complex relationships between actors or sets of actors in modern political institutions. Lemarchand (1972: 69) indicates that patron-client relationships can be personalized relationships between actors (patrons-clients) or sets of actors commanding unequal wealth, status and influence based on loyalty and involving mutually beneficial transac-

tions. In a critique of the African continent, Chabal and Dazol (1999: 3-4) say, 'the state in Africa was never properly institutionalised because it was never significantly emancipated from society'. This means that many African states have not overcome patrimonialism to embrace the Weberian approach of state formation. Another term suggested by Médard (1991) is neo-patrimonialism, which states that African States are not the ideal types of patrimonial States in a Weberian sense, because they have non-patrimonial features as well. He argues that African States blend classic patrimonial features such as personal rule with a unique way of accumulating political and economic resources and developing their own symbolic systems, therefore they are neo-patrimonial States. He contended that, starting from a shared patrimonial core, each African State develops its own way, depending on the traditional factors at work in each individual case (Médard 1991 in Veen 2004: 16).

Another very damaging issue in the management of public affairs and goods is corruption. According to Piattoni (2001) corruption, which is often likened to both patronage and clientelism on a weak ground that these two constitute a 'corruption' (in a common language sense) of democratic ideal, is the exchange of money or monetized goods for decisions on the part of a career or elected official that favours economically particular individuals or groups. Whether votes are contextually exchanged is irrelevant, it is the privatization of public decisions. Andrig and Fjeldstad (2000) define corruption as an exchange of favours between two actors, an agent and a client. His superior, the principal, entrusts the agent with power. The principal delegates a task to the subordinate, his agent, and sets up the rules for fulfilment of the task. The agent is to serve the client within these rules. Bribery, extortion, embezzlement and fraud in the public sector are variants of corruption. Lambsdorff (2007) argues for distinguishing corruption from other forms of criminal conduct that involve only private parties such as tax evasion, contraband, black markets, insider dealings at the stock exchange, production of counterfeit money, and subsidy fraud, carried out without misusing public power. Actors involved in such activities are often private businesspeople, for example, taxpayers not entrusted with public power but a wider definition of corruption would also include these crimes. One may distinguish various forms of corruption based on whether the briber or the bribee obtains the larger benefit from a corrupt deal and which side has the stronger bargaining power. Clientelist cor-

ruption occurs if the briber obtains the higher benefit, while ‘patrimonial’ corruption occurs where the bribee obtains the bigger share. Lambsdorff (2007) also shows that one may distinguish between petty and grand corruption, where the former involves frequent, small payments to low-level public servants (rent-seeking), while the latter relates to large one-time payments to high office holders. The terms ‘political’ and ‘administrative’ corruption differ according to whether key actors are politicians or bureaucrats. A self-serving principal, a government that disregards its duty to serve the public, might create an environment where laws do not forbid its own enrichment or that of the ruling class. The author says corruption can even accompany and underlie the writing and enforcing of rules designed to further the principal’s narrow interests (Lambsdorff 2007: 81). Many economists cite poor regulation as the main cause of corruption. Thus, detecting bad regulation and misdirected state intervention can illuminate areas where corruption is likely to occur, coupled by an overarching approach to reform (Lambsdorff 2007: 9-10). The WB presents another correlation between corruption and policy distortion (1997: 104-68) in 39 specific countries, but it lacks a precise definition of ‘policy distortions’. Poor regulation can also be purposive so that mismanagement and corruption can occur. The less clear the rules and regulations, the greater the incentive for corrupt deals.

In this thesis, political corruption appears in the behaviour of public decision-makers who provide preferential treatment to individuals and advance narrow interests at the expense of broader society. According to Lambsdorff (2007):

[The] world is not short of ideas on how to tackle corruption. While good intentions abound, we currently know little about their likely success. Being short of empirical evidence and profound experience, there is clearly no theory available that allows us to put the various approaches for reform into a comparative perspective (Lambsdorff 2007: 27).

In a study of the African continent specifically, Chabal and Daloz (1999) state that there are different notions of corruption between the West and the Non-western countries, and not all analytical interpretations of corruption provide convincing accounts of what is happening today in Africa. For instance, sub-Saharan States are an empty shell, so they conduct their business informally. Further, developmental theorists stress that corruption is inevitable during the modernization phase, as it

contributes to the transition to institutionalization. For these researchers, this is a largely Western view that transcends the post-colonial generation of political elites who take advantage of their access to power. This is an integral part of the contemporary political order on the continent. Thus, 'third-worldist' approaches ignore 'corruption of survival' at the bottom of society because it does not emphasize the exploitative practices of an African bourgeoisie devoid of moral principles (Chabal and Daloz 1999: 98). Analytical frameworks that stress only what seems compatible with more general social or political paradigms, and ignore what does not fit in with them, are equally unconvincing. This is not only because they fail to explain what is happening in sub-Saharan Africa, but also primarily because to think that corruption is both more common and less normatively clear-cut impairs our understanding of the continent. What is important is to look at the empirical evidence in post-colonial Africa, regardless of ideological, normative or analytical preconceptions (Chabal and Daloz 1999). As argued throughout his book, it is best to understand both the socio-political context and the intricacies of political practices, as he observes them, as deriving from a common social tradition or culture (Chabal and Daloz 1999: 99). Lambsdorff, apart from indicating that the causes of corruption are manifold, stresses cultural causes of corruption (Lambsdorff 2007: 28).

Regarding sub-Saharan Africa, Chabal and Daloz (1999) state that a system of such profound uncertainty and disorder, which depends on subtle and constantly fluctuating ties of loyalty, provides many opportunities for the instrumental use of properly, cultivated social relations. This raises the question whether these informal relations, well-organized predatory networks do not conspire to legitimate a system of unequal exchange at the heart of a political order (Chabal and Daloz 1999: 102). Empirical and analytical explanations of corruption say it results from the instrumentalization of disorder. A well-regulated system of political transactions, within the ambit of a bureaucratic welfare state and the rule of law, would make the type of personalized and complex relationships of clientelism on which political legitimating rests impossible. In Africa, because the state is not and will not have the resources for egalitarian resource distribution, patrimonialism will continue. Corruption is the outcome of interconnected phenomena feeding each other in which the search for political status nourishes a constant scheme to negotiate and purchase power and authority (Chabal and Daloz 1999: 102). Piattoni

(2001) like Chabal and Daloz states that the personal, dyadic nature of patron-client relationships and the emotional attachment to them are characteristics of traditional societies. The contamination of the public sphere with relationships that should rule only private dealings, reveals the traditional nature of these societies in which private and public role structures and spheres of interaction are not separate and autonomous (Piattoni 2001: 9). Another conclusion originating from the link between culture and corruption suggests that reform should consider cultural pre-conditions. Husted (1999) also argues that effective measures to fight corruption are dependent on culture. He further points out that, countries with unequal power distribution where hierarchy is accepted require different treatment. In such countries, a top-down approach to corruption may have better prospects than grassroots movements. However, where a strong desire for material wealth exists, ethical training may not be helpful (Husted 1999 in Lambsdorff 2007: 29). In conclusion patronage, clientelism and corruption affect leadership, political parties and the institutional set-up negatively, they also pervade the entire public sector in Mozambique. Leadership, patrimonialism and clientelism may help some to bend rules and regulations through what Chabal and Daloz (1999) call instrumentalization of disorder to maintain the *status quo*. Ruling party leadership may, from fear of the unknown secure power through clientelistic deals that place its clients as municipal leaders to suppress the opposition and limit political party competition and participation. This strategy strengthens the party in power and stifles multi-party democracy.

Institutional set-up of local government

In Mozambique, the transition from a mono-party centralized system of governance to a decentralized multi-party democratic system required new rules in which organizations and individuals make decisions and take actions. North in Grindle (1997: 19) defines institutions as ‘the rules of the game in a society... the humanly devised constraints that shape human interaction...and structure incentives in exchange, whether political, social, or economic’. The author further argues that institutional capacity involves the development of legal systems, policy regimes and mechanisms of accountability, regulatory frameworks and monitoring systems that transmit information about and structure the performance of markets, governments and public officials. This means that good leg-

isolation with clear laws, rules and regulations guides and stimulates good governing procedures, while a bad legislation contributes to failure in service delivery and corruption.

There are various models of local governance among them are the Westminster model, the Executive Mayor model and the Collegial model. According to Ward (2006), the Westminster system is better assessed through five components: the concentration of power in a collective and responsible cabinet; ministerial accountability to parliament; a non-partisan and expert civil service; an opposition recognized as executive in waiting; and parliament sovereignty. This also applies to LG regarding local level cabinets, MC and MA. All Westminster systems exhibit these five attributes 'in varying degrees', but most Westminster systems have formal constitutions that substantially inhibit parliamentary sovereignty. According to Orosz (1993), Britain has a majority system representing the interests of the majority of citizens, which differs from a consensus model representing the interests of as many individuals as possible. In this system, coalition is impossible because of the majority government system. Furthermore, the opposition usually represents a minority nearly the size of the majority, and the leader of the opposition forms its counterpart shadow cabinet. The job of this cabinet is to challenge the policymaking of government by providing and arguing for alternative policies and decisions (Orosz 1993). In this model, LG has considerable autonomy in local matters, but because of nationwide service unity, they depend on CG (legally). They also rely on CG financially (only 50 per cent of revenue comes from local taxes) and CG may cut transfers on its 50 per cent revenue allocation. A strong party system is not one of their components although the literature indicates that it strongly differentiates Westminster systems (Ward 2006). For instance, Hazell (2008) indicates that the southwest type of Westminster model shows a continuation of a strong majority culture, but dispersal of power through further devolution and extension of direct democracy.

Citizens residing in a city, locality or town may elect an executive mayor through direct elections like in Mozambique or the full council like in South Africa can elect him. The Executive Mayor model allows for the exercise of executive authority through an executive mayor. According to the website www.joburg.org.za (2010), the executive leadership of the municipality is vested in this individual. Since 2000, Johannesburg has employed an executive model, giving the incumbent

strategic and political responsibility for the city. The executive mayor remains the first citizen of the city and represents the city at ceremonial functions. The mayor leads a 10-person mayoral committee, essentially a city-level cabinet that he or she has appointed. Each member of the mayoral committee has executive responsibility for a portfolio, which can be defined by his/her area, giving them near-presidential authority. The City Manager heads the administrative aspect of the municipality (www.joburg.org.za 2010). The difference between the mayoral executive system and the collegial executive system is, in the former the executive mayor appoints the mayoral committee and delegates power to it. While in the latter, the municipal council elects the collegial executive committee on a proportional basis and may delegate executive power to the entire mayoral committee (www.thedplg.gov.za 2010). The same website indicates that the experience of LG as a 'faceless' set of committees, makes it unclear who can be held accountable for decisions that the municipal council makes, while the election of an individual executive leader (the executive mayor) has several advantages such as that it 'puts a face' to LG (www.thedplg.gov.za 2010). In the case of Mozambique, municipalities have an executive mayor with political and administrative responsibility and with their councillors are all accountable to the local MA, the body of local community representatives (Cistac 2001). Mozambican LG institutional set-up gives the mayor many powers, responsibilities and functions. The institutional set-up provides the mayor more flexibility and discretion in appointing councillors and heading all municipal affairs. This is crucial for these leaders to address local issues better than when CG or a collegial executive committee exercises significant influence on policy decisions and leads several important local matters. Can the Mozambican LG leadership use the powers, responsibilities and functions provided by the LG institutional set-up to target the priorities of their electorates effectively? What lessons can be learned from the Mozambican case? An effective government leadership is also crucial because who decides the definition and implementation of society problems and suggests alternative solutions is vital to the policy process. Dye (2002) argues that any societal conditions not defined as problems and for which alternatives never develop, never become policy issues and the power to decide what will be a policy issue is crucial in policymaking. Decision-makers could follow Drucker's idea that the pertinent question is not how to do things right during the planning stage, but how to find the

right things to do, and concentrate resources and efforts on them (Drucker in Gargan 1997: 522). Thus, effective LG leadership must exercise its powers and responsibilities to identify and select community priorities they can incorporate and address by budgeting and planning processes.

Governing capacity is the ability of a political system to do what is required and expected of it. As a system characteristic, governing capacity is dynamic. In doing what is required and expected, local government capacity relates to resources and expectations and inversely relates to problems (Gargan 1997). Although the Mozambican Local Government Act of 1997 has most of the basic laws, rules and regulations for devolution to municipalities, patrimonial relations distort municipal legislation to maintain CG control over municipalities and suppress opposition. There is also limited knowledge of LG legislation, both CG and LG officials need to be acquainted with LG rules and regulations and internalize them. This is why the study also investigated if capacity-building programmes adopted and implemented by the CG, donors and NGOs are targeting the right areas, to enable Mozambican municipalities to assume their new roles and improve service delivery coverage. The literature in this section helped the researcher design the research questions, identify and select the institutional set-up indicators. It was also important in finding out about the legal constitutional forms of the municipalities studied (elected or appointed); if there is a clear legislation with powers, functions and responsibilities for mayors, councillors, MA and MC members; if there is a clear legislation that recognizes community participation (CBOs) in policy decisions; and, if there are internal and external monitoring and evaluation procedures (written rules and procedures).

Influence of political party configuration on decision-making

The influence of politics on local governance is also likely to affect LG performance. Miller, Dickson and Stoker (2000) indicate that ideology or partisanship affect attitudes towards most goals and objectives of local government. Because politics are vast and all embracing, this section only discusses issues related to political parties' relationships and their ideological influence on LG leadership, internal decision-making processes and the influence of electorates on local decisions. Findings about municipal governments in Israel support the growing evidence that the interaction between CG and local decision-makers is vital in shaping the

social programmes delivered at the municipal level (Asford 1990). Such relationships between CG with the same party LG and with opposition party LG may contribute or hinder effective local governance. Of interest to the study is the impact of electorates' influence in politics, which is explicable through examining the extent to which local communities can consent or dissent with proposed policies and influence the decisions on those policy proposals. The question is, is this achievable through what Haus et al. (2005) terms, 'getting one's voice heard and one's vote counted'? Another aspect that seems important relates to internal politics within the LG that may also affect performance. This relates to the extent to which internal decision-making is participatory enhancing the willingness to translate LG decisions into effective results.

Furthermore, the majority democracy may have serious limitations if applied inappropriately, because it may stifle political party competition, limit participation and accountability. Although in UK, according to Lijphart (1999) 'political power is concentrated in a single party executive while in power, dominating the legislature...the majoritarian electoral system reinforces the position of two dominating political parties, which alternate in power'. This is true in the USA as well, however in Mozambique, the current majoritarian regime reinforces the one-party state. It is difficult for locals to oust self-interested politicians because of limited political party options. Mozambique lacks political competition and participation because as Chabal and Daloz (1999) and Cranenburgh in Salih (2003) state, African politics remain significantly affected by personal and clientelistic power relationships. In such relationships, the CG is the patron, and to strengthen its power and sustainability it places clients as heads of LG and suppresses opposition. The advantages of the UK majority system is that the executive is more constrained and the political system is less majoritarian because of the growing power of the second chamber, which is strengthening parliament in relation to the executive. In addition, the power of the judiciary is growing because of the Human Rights Act, the new Supreme Court and the continuing effects of the EU (Hazell 2008). Mozambique lacks these institutions, and because the power of the executive is excessive, it overpowers the parliament and the judiciary. There is little practical separation of powers in the Mozambican political system. To improve accountability, Lijphart (1999a) says that the model of consensus democracy performs better than majoritarian democracy. He stresses that in a consensus model, power is

shared, dispersed or restrained in a variety of ways, providing for balance of power (Lijphart 1999a: 34). Further, Cranenburgh in Salih (2003) argues that Lijphart's model of consensus democracy is particularly relevant for Africa, especially in view of the ethnic, religious and linguistic heterogeneity in most African States. Only by including all ethnic groups into the political system, it is possible to prevent further conflict. In addition, Bratton and Walle (1997) say regarding party competition and participation that regimes are distinguishable along two key politico-institutional dimensions, the extent of political participation and the degree of political competition. Thus, it seems worthwhile to find the extent to which LG relationships and competition of political parties, the personal ties of local leadership, as well as the style of the mayor influence decision-making. Other aspects such as the level and experience of municipal professionals and the socio-character of the community may also determine the standing of a municipality (Lazin 1994). Regarding political party competition, Chanie (2007) argues that, the existence of different political parties creates a powerful impetus to enforce accountability. A multiparty system enforces checks and balances, as the party in power often has strong incentive to avoid accountability while the opposition parties have their own incentive to uncover the wrongdoings of the ruling party. Possibly a 'rigid' Constitution, defined as requiring an extraordinary majority in parliament for changes to be made, may be a mechanism for spreading power, or checking the power of the majority by giving a minority veto power (Cranenburgh in Salih 2003).

Within the MA, there is a need for effective political party influence and response to local needs. The MA also must have the necessary knowledge and resources to participate actively in decision-making. The MA needs to have the necessary capacity to deliberate and adopt the most convenient policies. This is important in strengthening local government institutional and organizational matters. According to Haus, Heinelt and Stewart (2005: 13), government failure has two dimensions. First, government failure relates to the problematic role of representative institutions and their decision-making processes leading to deficits in legitimacy, efficiency and effectiveness. Furthermore, lack of legitimacy relates to loss of trust in problem-solving and interest-mediating capacity of representative institutions. Lack of effectiveness usually shows the inability of government institutions to implement either those decisions taken in representative bodies or favourable policy objectives. Second,

government failure must link with the issue of coping with complexity or with the problem of coordinating societal interactions in modern society (Haus, Heinelt and Stewart 2005: 14).

This section shows that political party competition and participation are important to help enhance good governance practices and improvements in service delivery coverage because other parties in the political arena can force the party in power to deliver as promised. The availability of competing parties also gives local community members other options to eliminate corrupt LG politicians. Separation of powers of the executive, parliament and judiciary branches is important because it provides checks and balances, helping to make the executive responsible for its wrongdoings. The literature in this section was important in helping design the study's research questions and select indicators such as the relationship between CG and LG in the municipalities studied, degree of political party competition and participation, MA capacity to deliberate and adopt the right policies, and extent of field officials' participation in decision-making (policy adoption/management and implementation).

2.4.3 LG capacities and effectiveness

Besides the political issues discussed above, the study's analytical framework includes the following LG capacities to translate participatory approaches to governance into positive results as independent variables: LG capacity to plan and make decisions, LG administrative capacity, LG financial management capacity and LG capacity to convene other actors in the governing process. The following sections discuss these independent variables in detail.

The capacity to plan and make decisions

LG capacity to plan

According to Gordon (1993), formal planning in an organization is both a product and a process, both of which are valuable to an organization. As a process, planning is a means of prompting thought, provoking internal examination, and facilitating decision-making. With a local government, the process may include the identification of key people involved, or from whom inputs should be received. Other than government these include, anyone who can provide valuable information, key perceptions or large bases of support (Gordon 93: 10). Gordon says that

a plan that results from debate and negotiation often represents a compromise in which different points of view have embraced an acceptable alternative, that the plan represents a collectively supported vision of the community's future and the most acceptable formula for allocating resources. A plan is a vision of the future and what the community and its governing and management organizations can accomplish within future realities, as observed from the present (ibid). Although the following actors are relevant for planning, the study focused on the capacity of local governments to incorporate community micro-plans or any other form of community-based organizations' (CBOs) participation in the planning process. Actors in the planning process can come from all segments of the municipality namely, elected/appointed officials, users and recipients of public services and any other organization or individual.

According to Gordon (1993) those who manage the planning process for LG should solicit and coordinate input from key stakeholders efficiently and systematically, identify various levels of involvement for all participants, keep interested parties well informed of progress, solicit and incorporate feedback, develop and manage support and opposition and propose and encourage compromise (Gordon 93: 17). Good practice indicates that local economic development should always start with the formulation of a strategy. A local development strategy is a fundamental component of any LG planning process. It should form a broader community-wide strategy for development, providing a focus on strengthening the local economy. In addition, properly implemented planning arguably allows a government and its communities to create their own future by present initiatives. Davids et al. (2005) argues that the challenge is to integrate the role of government as a change agent (catalyst) with the role of 'self-conscious people', by applying *indigenous knowledge* systems through a planning partnership. The timeline for a local economic development strategy is five years with short, medium and longer-term deliverables (World Bank 2002: 8).

In integrated development planning (IDP), a holistic inter-sectoral approach to planning where land, housing, transports, infrastructure, water resources, energy supply, waste management, safety and security, health, welfare, education, arts and culture are all integrated, planned and managed is applied in participatory community projects in South Africa. According to Davids et al. (2005), the IDP allows a municipality or community to focus itself and develop a future-oriented vision, proac-

tively adapting and learning by managing a continuous SWOT analysis. From the IDP, a municipality/community is able to conduct an organizational audit and construct an institutional plan. Based on the ongoing SWOT analysis, the municipality can come to an understanding of its internal dynamics, and learn to manage change and visualize its future. In IDP, by following project management principles, the municipality or community identifies appropriate action steps, assigns project managers, links tasks with target dates, and monitors and evaluates deliverables (Davis et al. 2005: 139).

Plummer (1999) argues that an engineering-orientated vision dominates projects municipalities undertake. Engineers prescribe what communities need, where they need it, how it will be provided and to whom and when. End-users, particularly the poor communities, even with knowledge of their neighbourhood, rarely have opportunity to contribute in project planning. Participatory planning is a learning process for government and the community, both actors will develop knowledge of options (Plummer 1999: 43). Furthermore, Winter (2004) argues about the way by which innovative methods of participatory/inclusive planning have, in them, improved accountability. The author indicates that in Senegal and Ethiopia, planning at Woreda/Kebele level has become more participatory and transparent and has increased the extent to which citizens expect their LGs to deliver public goods and services. In areas where local communities have financial capacity, according to Plummer (1998), it is important to promote community participation by incorporating a community financial contribution to the cost of works. Experience has shown a link between financial participation, self-reliance of community groups and improved accountability of municipal service delivery activity. She gives examples of Ahmedabad and Faisalabad in India where the benefits for these municipalities were greater resource mobilization, and cost sharing, which led to increased sustainability, motivated by an increased sense of ownership of facilities and infrastructure, improved maintenance, increased life of services and greater cohesion among communities. Municipalities are also responsible to ensure they act professionally and in the interest of partnerships (Plummer 1999: 49).

An excellent example of participatory planning and budgeting is that of Porto Alegre in Brazil, which shows an explicit link between planning capacity and community participation in improved service delivery. LG with local social movements started the process although it was never

institutionalized, despite attempts by the opposition in the Municipal Chamber who proposed its formalization (Chavez 2004). According to Cordeiro in Bruce (2004), change in Porto Alegre began with tax reform, which helped alleviate tax evasion. The Participatory Budgeting Council of Porto Alegre was the central body of the participatory budgeting (PB) process, but it was not part of the municipal institutional structure. This openness allowed local communities to see where and how the council spent their money. Most importantly, LG was present during deliberations on setting priorities in delegates' assemblies, but it did not have the right to vote, and the period of work decided in Porto Alegre in the context of PB had an impressive degree of both efficiency and accountability (Chavez 2004). With roots in local social movements, unavoidable constant institutional adjustment, success in tax reform and improved infrastructure led to the UN recognizing the experience in Porto Alegre as an exemplary development method to be replicated globally (Cordeiro in Bruce 2004).

LG capacity to make decisions

There are top-down and bottom-up decision-making processes. In top-down processes, decisions and choices made at the top influence and constrain those made at lower levels, while bottom-up processes require submission of inputs from lower levels (LeLoup 1988), in this case, from local communities. This means that within a democratic system, local government capacity to make decisions through participatory approaches is a means to improve LG planning capacity. In this sense, community participation enhances LG decision-making in priority project selection. Experience shows that local development decisions that involve locals are more likely to legitimize LG decision-making processes and results of policies because locals will identify themselves with such decisions and results, and may have more confidence in their local leaders. To Perales (2002: 63), the capacity of LG to plan and make decisions is the same as the capacity of LG to organize planning and decision-making according to appropriate rules, procedures and methodologies, considering the participation of civil society organizations in constructing a shared vision, which is translated into an implemented feasible medium-term plan. According to Plummer (1999), training in participatory approaches has to be provided at all levels of the organization including field officials and communities themselves. These skills will be necessary to enhance LG capacity to make decisions involving locals. There are different forms of

local decision-making. LG can do this through organizing local communities in face-to-face meetings where people learn more about each other's viewpoints and discover that they have 'common ground'. They weigh the pros and cons, trade-offs and consequences of their choices. This leads to a collective effort to address the issue, even though people do not necessarily agree with each other. This helps develop a vision, identify priorities, develop an action agenda, and successfully develop and implement programs (Hodge 2009). Priority projects selected through individual votes can also be deliberated in MA sessions, where decisions on priorities should be made based on the available funding and according to local community priority needs, and implement projects. Although positive aspects can originate from participatory approaches to governance, Chaufan (1983) says that community participation may have won the war of words, but beyond the rhetoric, its success is less evident. Part of the problem is clearly political. Real participation is a threat to powerful stakeholders, 'while participation is applauded, encounter is not' (Chaufan 1983: 88). Other critics of participation argue that it actively depoliticizes development, producing grassroots knowledge ignorant of its own partiality (Mosse 2001); and it stifles the discussion of alternative visions of development (Henkel and Stirrat 2001 in Hickey and Mohan 2004: 93). Furthermore, Cook in Hickey and Mohan (2004: 93) argues that alongside the portrayal of grassroots agency, participatory development also denies development experts a role in shaping participation. By obscuring the agency and motivations of development workers, important questions about the nature of management and leadership are ignored, and key aspects of the development process are removed from public scrutiny (Cook in Hickey and Mahon 2004: 93). To Cornwall (2002), who determines the form participation takes in any given place—who initiates, chooses methods, techniques and facilities for participation is critical for assessing the contributions participatory initiatives can make to democratic practice, and for understanding the power dynamics involved in the process. The spaces made available by the powerful may be limited to permit limited citizen influence, colonizing interaction and shifting dissent. Gatekeepers, who speak for, but not with those they represent, may fill spaces fostered as a way of amplifying marginalized groups (Cornwall 2002). The author stresses that the intervention of powerful actors in creating ever-expanding spaces into which citizens are invited to participate may have the effect of neutralizing en-

ergy for engagement outside of them and may render other spaces illegitimate. Participatory approaches may only reproduce echoes of dominant knowledge rather than amplify the alternative, 'bottom-up' perspectives claimed for them (Cornwall 2002: 8). Brown in Hickey and Mohan (2004) argues that to remedy this situation, 'trusted facilitators' should be involved, among other things, to invite (select) participants personally.

In recognition of these shortcomings of participation and reflecting on legitimacy in democratic systems, the study considers Haus's et al. (2005) arguments, which refer to three interrelated forms of democratic legitimation, which cover not only issues of legitimacy, effectiveness and efficiency, but also most contributions to democratic theory. Together these interrelated forms stand for the complex requirements of a sufficient problem-solving capacity of democratic self-government:

- A democratic system requires authentic participation. This means the possibility of expressing consent and dissent with proposed policies and influencing the decision on these policy proposals, for example getting one's voice heard and one's vote counted (input legitimation through participation);
- The measure of any democratic system must be according to the degree it solves the problems that affect the community it claims to represent. This implies the acceptance by crucial actors in the implementation of those solutions. It also implies the degree to which available information (or knowledge) is used to develop well informed decisions (output-legitimation through effectiveness); and
- Any democratic system has to be judged according to the transparency of its institutions and processes. Its social environment has to understand how decisions are taken and who is responsible for them, to make actors accountable for their actions and to understand the alternatives. Accountability is a precondition for the evaluation of political actors' performance and for efficient decisions with respect to scarce resources (throughput-legitimation through transparency).

Haus, Heinert and Stewart (2005) also state that through issues of legitimacy, transparency, effectiveness and efficiency, good local governance acquires a different dimension in which a shift from government to governance means a different coordination of societal interactions, away from the subordination and regulation of society by the state (be it a parliamentary or presidential, consociational or competitive, direct or repre-

sentative democracy) towards 'horizontal' and cooperative modes of co-ordination. In addition, Haus et al. (2005) argue that to consider government failure means that 'good' policies are measured or judged according to whether political decisions and their implementation achieve the effects or objectives intended, whether they are accepted and supported by the social environment of the political system-and are not rejected, eventually losing their status as a binding force and whether political decisions make the best use of given resources (time, funding, etc.) or are able to mobilize others.

In many African countries, beautifully designed plans often never achieve full implementation due to lack of financing and other reasons. Capacity-building initiatives must provide effective technical planning, budgeting capacity and coordination of activities.

To summarize this section, LG capacity to plan and make decisions using participatory approaches to governance is one of the most convenient means to address community needs and give legitimacy to LG decision-making processes and the results of such decisions. Most proponents of participatory approaches to governance agree that placing communities in a passive recipient position without a role in the planning process fails to meet the needs of poor communities (Plummer 1999: 43). Participatory planning (action-planning or micro-planning) aims to provide a mechanism through which community needs translate into needs-based neighbourhood level plans. Micro-planning aims to address the needs of all community neighbourhoods, enhance community ownership and make decision-making processes transparent (Plummer 1999). The literature in this section was relevant in designing the research questions and in selecting field indicators for the municipalities studied namely, the actors involved in planning locally; specific planning and budgeting activities of local communities; type of community plans/forms of community participation in planning; plans that fulfil rules, procedures and methodologies of participatory approaches; time and clarity of planning decisions; social class/status of targeted groups in social areas and plans replicated in future.

2.4.4 Administrative capacity

LG as administrative units

Examining LGs as administrative units is to direct attention to service and utility questions, while consideration of LGs as political systems highlight their role in the authoritative allocation of values (Easton 1965). Doing what is required and expected from LG, is not necessarily a primary concern of local officials exercising power. The local political system is tested and values allocated by doing what is required and expected (Gargan 1997). Like other levels of government, LGs have to perform functions for their survival and advancement. A condition of governing capacity insufficiency can produce political conflict and instability within LG. LG can alter governing capacity from conditions of insufficiency to sufficiency by making the necessary improvements in administrative practices and technologies (Gargan 1997).

Philip Burgess (1975: 706-8) says that policy, programme and resource management constitute the core elements of public management and administration. *Policy management* is the work of elected officials and high-level administrators related to strategic functions of guidance and leadership. *Programme management* is the work of functional specialists with the capacity to perform administrative functions and tactical requirements of executing policy by undertaking programmes, activities or services. *Resource management* is the function of technical specialists in personnel, finance, information and related areas with administrative and organizational support functions. There must be competency in the essential technical elements of management, budgeting, accounting, cash management, personnel training and evaluation, purchasing, record keeping, and so forth (Gargan 1997: 522).

An effective LG administration also must improve the systems for introducing new technology, increasing monetary incentives for personnel and strengthening accountability and control mechanisms to raise organizational performance (Grindle 1997: 33).

LG human resource management

For an effective administration, a process for recruitment of officeholders and managers needs to be in place, and a mechanism is necessary to obtain, allocate and keep track of those resources for system performance (Gargan 1997: 520). It is also necessary to consider that achieving

and maintaining high standards of probity in recruitment and promotion procedures ensures proper expenditure of public funds (Elcock 2001). During the centralized socialist system of governance in Mozambique until now, the patronage system applied in the public sector often resulted in the appointment of unqualified people with strong party affiliations, which contributed to serious delivery problems. Gargan (1997: 194) indicates that the practice of appointing friends and family members to government service based on their relationships rather than objective qualification (patronage) affects government efficiency negatively. In this regard, environmental theorists argue that public administration in Africa is distinctive because it is politicized and patronage-prone. Further, they argue that African public administration cannot effectively use management methods based on the Western concept of rationality (Collins 1980; Hyden 1983). On the contrary, organizational theorists assert that some sort of modified and adapted Western methods can be successful in African public administration (Leonard 1987; Ngouo 2000; Olowu 1995). Chabal and Daloz (1999) support this when he states that the importance given by some African authors to local cultural features as determinants of development is noteworthy. But Kabou in Chabal and Daloz (1999) also fails when stating that it is indeed striking how backward attitudes, considered unacceptable elsewhere in the world, continue to prevail at all levels of society in Africa, making an already precarious situation worse and preventing needed changes. This study accepts a more constructive view whereby with Chabal and Daloz (1999), instead of deriding the continent's 'backwardness', it would be more profitable to analyse the anthropological

For this study, the organizational theorist's view seems crucial for effective LG performance. Meritocracy and less interference of partisan politics in the recruitment system and in all LG affairs need to be encouraged. For this to occur, the capacity-building initiatives being carried out in human resource management should recognize these shortcomings and provide for improvements in the recruitment procedures, promotion criteria, layoffs, transfers, and so forth. In addition, Gargan (1997) argues that, in some cases recruitment can occur through written examinations, interviews and candidate ranking systems to find the best candidate for each position.

It is also important to realize that it is possible to enhance LG administrative capacity by developing or improving the quality of LG human

resources, focusing on making the organization more effective by altering the context within which individuals and the LG organization functions. This study is more concerned with improving the effectiveness and efficiency of LG structures, and decision-making and implementation processes. In this regard, Grindle's (1997) statement seems adequate to substantiate this purpose, as she argues that the use of the term 'capacity-building' encompasses a variety of strategies of increasing the efficiency, effectiveness and responsiveness of LG performance. She indicates that the use of these three terms is straightforward: efficiency relates to the time and resources required to produce an outcome; effectiveness relates to the appropriateness of efforts taken to the production of desired outcomes; and responsiveness relates to the link between communication of needs and capacity to address them (Grindle 1997: 6). To strengthen organizational aspects, improvements in the recruitment and utilization of staff, introducing incentives, restructuring work and authority relationships, improving information and communication flows, upgrading physical resources, introducing better management practices and decentralizing and opening decision-making processes are necessary. On the role of leadership in human resource management, Davis et al. (2005) argue that the leader's role is to inspire and gain the commitment of staff to the goals and directions of the organization, and to serve as a role model for others. On the other hand, for an effective performance management, the leader's role is to create a culture and climate in which staff work together collaboratively to achieve high levels of performance and personal satisfaction. For this to occur effectively, (Lucas 1966 in Elcock 2001) indicates that the administrator should be incorrupt, competent, impartial, he should also listen to both sides of the case, reach a decision based on relevant facts and decide similar cases similarly.

Olowu and Adamolekun say that there are six major policy areas in human resources: (a) management change; (b) organization/job design; (c) recruitment, selection and socialization; (d) appraisal, training and development; (e) reward system; and (f) communication. They argue that activities undertaken in one area affect the others. For example, the development of incentive and reward systems affects the ability of an organization to respond to rapid change. Similarly, communication ensures that all other policy areas link through building and reinforcing the appropriate organizational culture around the organization's mission

(Olowu and Adamolekun in Adamolekun 1999: 87). Table 2.1 presents Adamolekun's merit-based recruitment and promotion system, which is acknowledged as a hallmark of well-performing public administration systems.

Table 2.1
Key elements of a meritocracy or merit system

Salient Features	Rationale
Recruitment and promotion based on merit	Efficient administration
Competitive pay (ref. to inflation, private sector pay, or specific job requirements)	Attraction and retention of the 'best and the brightest'
Mandatory training and retraining	Efficient administration and productivity
Decent working environment (space, tools, supportive infrastructure)	Decent working environment (space, tools, supportive infrastructure)
Decent pension	Decent pension Fairness, efficient administration, incorruptibility
Propertylessness	Propertylessness
Political neutrality	Continuity and predictability of government business, fairness and impartiality to citizens, loyalty to incumbent political leadership, smooth leadership succession
Security of tenure or renewable contract	Security of tenure or renewable contract
Accountable performance	Accountable performance Fairness and impartiality to all citizens

Source: Adapted from Adamolekun (1999), 'A Note on Civil Service Personnel Policy Reform in sub-Saharan Africa', *International Journal on Public Sector Management* 6(3): 38-46.

Regarding performance appraisal, Diallo in Chabal and Daloz (1999) stresses the absence of the notion of individual merit in Africa; social success is generally explained within a collective perspective, involving reference to the use of the occult. Adamolekun (1999) offers evidence that developing countries that use the merit system have better performing public management systems than those that do not. Still related to public sector performance, Winter (2004) indicates that a particular innovation has been made in Mali, where communes have been supported in undertaking self-assessment or auto-evaluations. These are annual evaluations and cover a range of stakeholders (elected officials, commune staff, sector staff, citizens, community leaders) who participate in these self-assessments, providing an opportunity for greater downward and horizontal accountability. The results of the self-assessment are fed

into the following year's plans/budgets, and inform the capacity-building plan submitted to the Communal Advisory Centre (Winter 2004: 43). Herzberg in Adamolekun (1999) identifies the elements that produce satisfaction in employees (motivators) and those whose absence will produce dissatisfaction (the hygiene factors). The motivators include achievement, recognition, responsibility, the work itself and promotion aspects. The absence of one or more factors will not lead a worker to leave a job, but their presence can motivate him/her. Herzberg also indicates that hygiene factors include pay, fringe benefits and physical working conditions. The latter helps maintain the worker (hence are also known as maintenance factors), but they do not motivate workers (Herzberg in Adamolekun 1999: 94).

Dye (2002) defines policy as 'whatever governments decide to do or not to do', and says that regardless of what public officials say they will do, if there are no concrete actions, there is no policy. It is clear that the ability of field officials to translate LG decisions (policies) into proactive actions is crucial for effective delivery and service coverage. The evolution of development thinking shows that this new type of change agent (public official) is challenged to act not only as, for example, a municipal housing manager, but as a housing expert, guide, enabler, advocate and mediator who, through managing appropriate public participation strategies in partnership with stakeholders, engages in a mutual social learning process; builds the agent's own capacity and that of stakeholders; empowers both; and, delivers a sustainable end product based on local participatory inputs from stakeholders. This is far from what is expected by top-down decision-making processes (Davis et al. 2005: 138).

The literature in this section helped stress that, for an effective LG administration, managers need the ability to translate policy decisions into effective results and they need the skills for such purpose. For effective LG administration, mechanisms to attract, recruit and retain qualified officials including managers need to be in place. It is also possible to improve delivery through capacity-building initiatives that provide the necessary technical skills for LG officials. The literature in this section was crucial in helping the researcher understand LG administrative issues, design the research questions, identify and select field indicators. These include legal framework with clear functions/responsibilities of politicians, managers and officials; extent of managers effectiveness in their administrative duties and tactical requirements; framework for re-

cruitment, promotion criteria, layoffs and transfers; incentives to attract, recruit and retain personnel including managers; staff training programmes and areas targeted; up-to-date information and communication systems and equipment (computers/fax machines/photocopiers); plans and programmes in social areas implemented within established time; degree of continuity and stability of LG management systems; and LG mechanisms of accountability to communities.

LG capacity for financial management

According to Kigaru in Ademolekun (1999: 68), effective financial management capacity is a crucial feature of a public administration system. The objectives of an effective public financial management system are:

- Proper planning and budgeting for public expenditure;
- Effective and efficient administration of government revenues;
- Proper use of budget resources;
- Accounting and reporting on public finance; and
- Full accountability for all public spending.

Further, Ademolekun argues that a comprehensive legislation and other statutory provisions on what, how, when, and by whom public resources are to be obtained and used underpins the importance and sensitivity of the financial management function in public affairs. Normally these financial management aspects are enshrined in a country's constitution, elaborated in specific acts of parliament, and reinforced and enforced through supplementary legislation (financial regulations) issued by the ministry of finance with the authority of parliament (Ademolekun 1999: 72).

Raising revenue

Local governments need real powers to mobilize and raise revenue to have a good financial management system. This means, devolution of the necessary revenue-generated powers to them by CG. The level of CG funding to LGs has to be reduced where there is sufficient local revenue whose authority to collect can be devolved. In this case, the CG has to choose between a continuing drift towards further centralization as the welfare economics model indicates or to reaffirming LG responsibility by providing it with a more extensive and robust tax base. If the ideal is to bring the choice in the mode and content of development as close as possible to the citizenry, the degree of financial autonomy of local gov-

ernments clearly becomes a significant factor. A significant degree of autonomy lies in the heart of decentralization that aims at facilitating development (Stoker 2004). The imbalance between the decentralized responsibilities and financial authority hinders the development process and therefore, must be minimized. Stoker (2004) further stresses that limited revenue-generating possibilities and little access to capital markets with insufficient assistance from CG, leads to local government failure. If CG continues to fund local government spending, it will continue taking responsibility for that funding and therefore extend centralization. The only other option is to create the conditions for local choice and local democracy by ensuring that local politicians raise money to pay for their policy choices and service levels. The author says that the proportion of LG revenue raised from local taxation has continued to dominate all discussions about the future of LG finances. In the same context, Stoker stresses that the issue of whether it is necessary to increase the proportion of council income raised locally has become virtually theological. The author indicates that on the one hand, the traditionalists believe that only an increase in this proportion will ensure real local accountability. On the other hand, some governments like the British have behaved as if they believe there is no link between local taxation and political freedom (Stoker 2004) and in the USA; local bodies largely depend on the states for revenue (Jain 1998: 30). If LG depends on CG for money, CG depends on LG for providing services to the people. In favour of LG financial autonomy, in the same line with the intergovernmental school, new public management, the institutional approach and the theory of democratic decentralization, Jain states that in this system of cooperation between CG and LG, the guiding principle should be that resources should be raised by that level of government, which can do so competently, efficiently, economically and effectively, and that money should be spent by the level of government that can provide services more effectively, economically and efficiently to the satisfaction of citizens (Jain 1998: 31). This means that local politicians must raise resources locally (O'Neill 2006: 261). This study argues that if CG gives funding to LG, CG will continue to be the one who chooses how and where to spend it. The entire issue of LG effectiveness in assuming its new roles may be questionable as CGs might refuse some important local policies. The decentralization framework must link local financing and fiscal authority to service provision responsibilities and functions of

LG, so that politicians can bear the costs of their decisions and deliver on their promises (World Bank in Stoker 2004).

According to Linn (1992), there are three categories of revenue for LGs: (a) locally collected taxes; (b) user charges and benefit charges; and (c) other locally raised taxes such as license fees, penalties and stamp duties. The external sources of financing are transfers (grants or shared taxes) from higher-level governments and borrowing. Until recently, the decline in the capacity of many African municipalities to levy local taxes has been a concern. For LGs to be financially effective, they need data sources to determine how much each category of revenue above has contributed to local revenue. The degree of control over revenue sources is of primary importance to evaluate LGs capacity to respond to increasingly rapid urban service requirements (Linn 1992).

According to Linn (1992), due to the growth in population and in per capita incomes, certain forces work to enlarge the revenue capacity of LGs. In most African municipalities, a combination of LGs insufficient taxing authority and lagging revenue efforts hamper revenue collection. Therefore, revenue has not kept pace with expenditure needs, which has led to severe public shortages. Linn (1992) offers little reason to expect this to change, without policy adjustments to bring revenue growth in line with expenditure requirements. There are four solutions to this urban-gap problem: (a) increased local revenue effort with unchanged revenue authority; (b) increased revenue authority; (c) increased transfers from higher levels of government; and (d) reduced local expenditure responsibility. By asking which of these courses should be chosen, one effectively raises the question of what is the appropriate role for LG budgets in urban areas, or more generally, what is the appropriate degree of fiscal decentralization in developing countries (Linn 1992). For services such as education and health, which have substantial spillovers into neighbourhood jurisdictions, they should receive transfers from state or national government. Pure local financing would lead to under-provision of these services from a regional and national perspective (Linn 1992). Other local services, such as general local administration, traffic control, street lighting, and security are local public goods whose primary benefits accrue to the local population, but with water, sewerage or electricity the exclusion principle does not apply (Linn 1992).

For effective financial management, the LG also has to tackle rigorous rationalization and increase the efficiency of expenditure, as well as

take steps to achieve greater consolidation for local government finance. Promoting the simplification of treasury administration, controlling personnel numbers and correcting salary levels, among other things can enhance this endeavour (www.mof.go.jp 2003). Three aspects are crucial for effective financial management: the LG administration must be equipped with a sufficient number of appropriately trained staff so that the necessary decentralization can be undertaken; without adequate funds local authorities cannot perform their duties satisfactorily. This covers both transfer payments from CG and the creation and effective utilization of independent sources of finance in the form of taxes, fees and contributions and, transparent and efficient procedures for creating and managing budgets (www.inwent.org 2005).

Budgeting

Wildavsky in Ademolekun (1999) points out that no significant change is possible in the budgetary process without affecting the political process. Power flows from a role in control of funds and financial self-sufficiency is the first prerequisite for functioning local bodies, as autonomous units of self-government (Jain 1998: 30). Further, Hendrick (1989), LeLoup (1988), and Whicker (1991) state that broad theories of public budgeting capture the thinking about 'bottom-up' and 'top-down' approaches to budgetary decision-making. In top-down approaches, the budgetary process is more centralized; there are impositions from the top echelons of macro constraints and choices in programmes. A programme may receive notice that it will lose its funding or can only receive a certain level of funding (LeLoup 1988). Bottom-up approaches require submission of inputs from lower levels of the organization, including arrangement for inputs from external sources. This study argues that bottom-up approaches to budgetary decision-making can be relevant in ensuring that the CBOs are involved in defining local development priorities. Effective budgeting starts with the identification of goals and objectives that the LG seeks to attain in the short, medium and long terms within its overall socioeconomic policy. A sound budget serves as a tool for economic and financial management and accountability; it should also be a mechanism for resources allocation among different priorities as well as ensuring stability and economic growth (Ademolekun 1999).

One important aspect for effective financial management is the link between planning and budgeting. As argued above, many policies in African countries never achieve full implementation due to lack of finances, despite well designed policies. This is because the budgeting and planning personnel do not coordinate their activities effectively. To overcome these shortcomings the linkage between planning and budgeting makes planning a more meaningful process with tangible results and better informs the budget process at the local level (Winter 2004). Uganda and Ethiopia, have implemented innovations in inclusive and cost-effective planning. In these two cases, they meant moving 'down' the LG hierarchy to lower tier units (such as sub-counties and Woredas/Kebeles) through local development projects funding instruments, providing local officials with resources to finance projects. This has made the planning process real and led to the need to improve it (Winter 2004). Chapman (1987) indicates that the system developed by the City of Milwaukee in Wisconsin for allocating Community Development Block Grant Funds, linking multiyear budgeting and comprehensive planning is another example of an effective synchronization between planning and budgeting. He further states that the system has been in place for six years and is meeting the needs of elected officials, city department heads, community representatives and recipients of funding.

Local authorities need to increase expenditure and intervene in education and social services. Another important aspect is the need for equal redistribution of resources, recognizing that a system of LG finance needs a capacity to give additional resources to areas of high need or with a low tax base (Stoker 2004). In the face of interjurisdictional inequalities of incomes, there is likely to be a need to equalize levels of service across jurisdictions through intergovernmental transfers. LG borrowing can be an appropriate source of capital for services that involve investment in long-lasting infrastructure such as public utilities and roads (Linn 1992).

Accountability and auditing

Another aspect that contributes to an effective LG financial management is transparency in connecting spending decisions, tax raising and voter's choices. Layfield's (1976) basic argument on this issue was that accountability requires those responsible for spending money to be responsible for raising it. This form of accountability is called average ac-

countability and requires that those who pay should control what is done with it, and vice versa (Watt and Fender 1999 in Stoker 2004: 180). Stoker further indicates that if the CG provides funding, there are other ways to address transparency issues. A key alternative is a focus on local discretion over marginal shifts in spending (Stoker 2001). This is marginal accountability and requires that those who pay for increases in expenditure control what is done with it (Watt and Fender 1999 in Stoker 2004).

Adequate auditing systems can enhance effective LG financial management, but there must be an appropriate organization and staffing of the Internal Auditor's Office, an effective code of practice for internal audit in LG, supplemented by guidance on how to apply its principles in different types of authorities. The following steps should also be performed effectively: preliminary planning and risk identification, development and performance of the audit plan, a report on accounts (www.invent.org 2005), and feedback for corrective measures. The author shows that local FM radio stations in Mali transmitted annual evaluations live, providing citizens with information about LG performance and its consequences for capital budget support from Timbuktu Commune Support Project (TCSP). An efficient system of local government finance also needs transparent accountability, an equitable distribution of resources, sufficient flexibility and some capacity for consistent budgeting to enable effective government action (Stoker 2004: 182).

In terms of accountability and transparency, Winter (2004) states that information is core to the notion of accountability. Citizens, policymakers, elected officials and managers cannot hold those who provide them with services accountable, unless they know what is expected, how they are supposed to do it and what they actually deliver. For this to occur, LGs need to improve the quality and quantity of the flow of information downwards (to citizens), horizontally (to elected officials) and upwards (to national policymakers and decision-makers) (Winter 2004). Effective auditing and appropriate mechanisms of accountability are necessary to fight corruption in revenue administration. This fight requires reformers to look beyond the formal structures of LG, to the informal networks of patronage and social domination that often determine how political power is wielded in poor countries (Hestad 2005). The successful implementation of tax administration reforms requires political will and support from the highest levels of government. Tax administration is

unlikely to succeed if the main source of energy and leadership comes from outside only (CG, donors); a strong and well-placed leader for revenue administration is essential to overcome political and bureaucratic obstacles (Hestad 2005).

The literature in this section helped stress that LG financial management autonomy is crucial because it enables the LG to respond effectively to its electorates' priorities with less interference from the CG. In Mozambique, this is necessary because the decentralization process, according to the current Local Government Act, should be devolution, so LG needs to define local policies by using participatory approaches to governance, mobilizing resources and implementing such policies effectively. To avoid mismanagement of scarce funds, effective internal and external accountability and auditing mechanisms need to be in place. The literature also helped design the study's research questions and select indicators such as proper legislation with rules and procedures to regulate the transfer of tasks and revenue; degree of LG autonomy to control and adjust local taxes and user charges; degree of LG autonomy to decide on priority across sector areas; budgetary provisions to finance community projects; clear LG regulations and procedures for auditing and accounting; degree of efficiency in revenue collection; degree of usefulness, comprehensiveness, trustfulness and verifiability of LG information on financial resources; LG financial stability and its continuity trends in the last three years.

2.4.5 Capacity to convene other actors

Participation and the capacity to convene

Recent literature on local governance argues that participatory approaches to local governance can contribute to improvements in decision-making and implementation. These improvements relate to the ability of these approaches to target the main actors' priorities and development concerns. Local governments need the capacity to convene other actors to participate in local governance. An environment in which local communities, civil society, private sector and LG work together in service delivery is a requirement in local development (Chieni 1999). Development programmes, either local or national, with multi-actor participation have a greater chance of achieving their intended impact especially, where the state has limited capacity to provide such public

services. Local government must engage in more relationships that are symbolic with other stakeholders in the economy. The literature terms this, an enabling role in which the government coordinates and steers the relationships between actors (Stoker 1998: 24). The term 'enabling' was first used by UNCHS and meant to facilitate, monitor and regulate other actors to play their respective roles in governance (UNCHS 1991 in Helmsing 2000). Enablement can target the local public sector, the private sector, the market or communities.

According to Helmsing (2001), communities often form organizations at the neighbourhood level in response to local needs. They normally operate informally, outside the LG system, but can become a partner to it. According to Mclean (2005), a link between CBOs and LG is important because it builds durable, sustainable local institutions. It also improves local governance; avoids by-pass of LG; strengthens local autonomy; enhances downward and upward accountability; provides dynamism and flexibility; and supports deeper decentralization. On the contrary, there are common dangers that can have a negative impact on the link between CBOs and LG, such as elite capture by ethnic/racial/social groups; corruption; opaque decision-making; ineffective accountability upwards to the centre and downwards; and patronage politics. These are impediments to devolution (Mclean 2005: 11). Local CBOs should form second and third level community organizations such as associations of CBOs or federations of associations to strengthen their position (Helmsing in Tegegne and Helmsing 2005: 323). This would seem to have important advantages as numbers rise, associations can facilitate sharing of information and experiences, and their larger size and scale of operations make associations undertake functions not feasible at CBO level. The success of such associations has been noted in several countries, including Bolivia (Nijenhuis 2002), Ecuador (Bebbington 1993) and Colombia. According to Helmsing (2005), once bigger associations are seen as a threat to the ruling elite, there may be attempts from the LG to co-opt and control them. Smaller ones do not pose much political threat. In Africa, territorial community associations are often 'hybrid organizations' that are not fully independent of government.

For communities to participate effectively in local affairs, community empowerment is a counterpart of government enablement (Helmsing 2001: 10). Cook in Fitzgerald, McLennan and Munslow (1995) defines

community empowerment as a process that improves the knowledge, abilities and capacities of society. In economic terms, community empowerment is the accumulation of human capital and its investment in the economic development process. In political terms, community empowerment is a process of preparing people to participate effectively in the political process, particularly in democracy. In cultural and social terms, community empowerment will allow people to have healthier and richer lives based less on tradition. Empowerment is a process that opens the doors to modernization (Cook in Fitzgerald et al. 1995: 282-3). On the contrary, critics such as Chabal and Daloz (1999) favour local cultural aspects as important in understanding Africa's development perspectives. Government enablement of local communities can be a form of government creating the necessary legal, administrative, financial and public planning frameworks to facilitate neighbourhood communities to organize into CBOs, to manage community level affairs and to undertake community collective action (Helmsing 2001: 10). One important aspect in community enablement is legalization and formalization, financial support and the degree to which CBOs have a formal position within the system of public administration and management (ibid). Legalization of CBOs creates a new legal resource that active communities may claim, but Wils and Helmsing (1997) conclude that legalization is often a challenge, because of the danger that community initiatives can depend on a temporarily favourable situation, like a committed mayor. Other authors also see a danger in legalization, as it may dilute the authenticity of community initiatives as a social movement, and cooptation by government in this sense, would inevitably undermine community collective actions (Helmsing 2005: 36-7).

Local actors' capacity to participate

According to Elcock (2001: 105), nowadays government structures are more fragmented, especially because so many governmental functions are contracted out to other agencies. He stresses that governments can achieve little without partnerships with other organizations. Participatory approaches to governance mean a different type of governance from top-down centralized approaches towards horizontal and cooperative modes of coordination for local development. It does not mean losing power in favour of one of these actors (leaders-communities-private sector) because all are core elements, they are separate but they work to-

gether (Haus et al. 2005). The term ‘public-private partnership’ (PPP) describes a situation in which possible relationships between public and private actors for a cooperative provision of infrastructure services occur. Private actors include private businesses, as well as non-governmental organizations (NGOs) and community-based organizations (CBOs) (Bennett, Grohmann and Gentry in UNDP 2007). CBOs represent one or several communities directly, while NGOs are intermediaries between government and communities and often provide communities with technical and financial assistance for their projects (ibid).

According to the Economic Commission for Africa, 3rd meeting paper (May 2005), the rationale behind involving the private sector in partnerships with LG is to avoid the potential pitfalls of full privatization, utilize new technology and expertise, share risks and gain access to increased capital to improve operating efficiency, and ultimately make the sector more responsible to consumer needs. A recent study by the South African Institute for International Affairs states that where partnerships have delivered the desired outcomes, thorough planning, good communication, strong commitment from both and effective monitoring, regulation and enforcement by the government was present. Where there has been lack of thorough planning, PPPs have not achieved the desired results (Economic Commission for Africa, 3rd meeting paper, May 2005). To improve results of partnerships in Africa, barriers to effective regulation and enforcement should be removed. Among these are the temptation to rent-seeking and regulatory capture because of a large gap between public and private sector pay; poor co-ordination between regulators; lack of a culture of transparency and widespread corruption; and the absence of channels for consumers, especially the poor, to make their views known and seek redress for grievances (Awortwi 2003: 76). To Montgomery (1987: 924), although institutional change can be a lengthy and complicated process, his research in nine Southern African countries shows no hard evidence to suggest that African institutions are resistant to change. His findings indicate cultures that are dynamic and changing over time.

According to the Economic Commission for Africa, 3rd meeting paper (May 2005), for PPPs to be successful, apart from the regulatory and legal framework and the aspects mentioned above, political commitment to promote effective service delivery, institutional reforms, contracting out with the private sector, and tariffs and subsidies need to be consid-

ered when promoting successful and sustainable local development. In water supply, *strong political commitment* from government to promote water supply and sanitation should be consistent over a longer period. The government *should formulate clear regulatory systems* that give guidance and confidence to all partners to determine their own policies and to protect their financial interests and property rights (Economic Commission for Africa, 3rd meeting, May 2005). The paper also states that in terms of *institutional reforms* in water supply, devolution of authority of services and operational responsibilities from national to LG and communities should be encouraged as an efficient means to improve the service standards and accountability. Besides South Africa, PPPs have been successful in La Sirene with Colombia Community-Based provision of water service, in Quito in Ecuador, also in the provision of water, and in the expansion of water supply in rural areas in Ghana.

The literature in this section shows that LG capacity to convene other actors to participate in local development is crucial in increasing LG human, financial and material resources to address local development purposes. LG also has to implement enablement policies to equip and facilitate private sector and local communities through CBOs, to participate effectively in partnerships in service delivery. The literature in this section also helped design the research questions and identify and select the following field indicators: local regulatory framework/policies for enablement (coordination and facilitation) to CBOs/private sector; legal recognition of partnerships; official register of NGOs/CBOs and purpose of registration; actors involved in the accomplishment of tasks; degree of LG compromise with other actors in the accomplishment of tasks; CBOs that represent the poor, women and elders who are LG partners; and projects successfully achieved through partnerships (mainly with civil society).

The sections above discuss the crucial capacities that LG needs to improve service coverage to local households. The study recognizes other factors that contribute to improvements in service delivery. The study also recognizes that even without full development of the essential capacities for LG to perform its roles and responsibilities effectively, donors or NGOs, the geographic location of municipalities and their level of infrastructure development had a positive impact on service coverage, improving local community living conditions in some places better than others. On the other hand, because NGOs and donors come and go, but

LG is there to stay, the study recognizes that joint local efforts between LG, the private sector and local CBOs can better address sustainable development.

2.5 Role of Capacity-Building Initiatives

2.5.1 Introduction

As stated, the second objective of this study is to discover whether the capacity-building initiatives provided to Mozambican municipalities by the CG, donors and NGOs are targeting the LG capacities discussed. This is important because Mozambican municipalities are new governing structures in need of capacity-building initiatives. Proper application of these initiatives would enable these new structures to perform their new roles effectively. Although the term ‘capacity-building’ has different meanings, for this study, *capacity-building* is defined as building domestic capacities that will lay the basis for self-reliant development when individual skills and organizational capabilities have been accumulated and put to work (Gunnarson 2001: 9; Macadam et al. 2004: 17). Since most of these capacity-building initiatives are from donors, there is a need to guarantee country’s ownership of policy and programmes, an issue for contemporary thinking about development effectiveness (Mozambican Poverty Reduction Strategy Paper 1999). Capacity-building in this paper means to provide the new Mozambican municipalities with the necessary skills, organizational and institutional capacity for them to assume a leadership role and target community priorities effectively.

2.5.2 Issues in capacity-building

The majority of capacity-building programmes implemented during the 1980s have failed (Grindle 1997; Mizrahi 2004: 2). In 2004 the Global Monitoring Report, which reviews the achievements of the Millennium Development Goals (MDG), noted that improvements in public management and institutions have lagged behind all other MDG targets (DAC 2006: 3).

A major shortcoming that contributes to failure of capacity-building programmes is lack of adequate instruments to measure, monitor and evaluate capacity-building initiatives (Mizrahi 2004: 3). Lack of feedback limits effective improvements in these programmes. Other shortcomings

that contributed to the failure of past capacity-building programmes are the piecemeal nature of reforms; lack of political will, commitment and leadership; short-term projects on training individuals without the larger organizational and institutional context; reforms not focused on behavioural issues; strong dependency on donors and foreign experts; destructive donors' practices; and, inadequate monitoring and evaluation of reforms (Mizrahi 2004: 6; Morgan 2002: 6; World Bank 1998: 84). The literature indicates that recipient governments that make big contributions of their own in capacity-building initiatives are seen as more committed and as having a greater sense of ownership, than those who make only marginal contributions (Lopes and Theisohn 2003: 30). Lopes and Theisohn (2003) also state that there is a relationship between capacity-building and leadership, as lack of powerful and responsible leadership can destroy decades of nurturing human skills or developing institutions. To Devarajan et al. (2001), there is broad agreement among aid analysts that lack of ownership on the recipient side is a major reason for the failure of many projects. In this case, ownership is LG and local community effective command and control over resources and policies. Ownership here incorporates institutional dimensions such as the control of both inputs and outputs; political dimensions such as commitment; and behavioural ones such as observed ability to achieve results (Lopes and Theisohn 2003: 30). According to the evaluation study of the institutional and management capacity-building to municipalities in Bolivia by Perales (2002), donors had full control over the process of community participation and administrative decentralization to improve LG performance and service delivery because CG had insufficient capacity to lead such capacity-building initiatives. Donors defined conditions and work procedures, giving privilege to some capacity-building areas and concentrating efforts in geographical areas and departments considered neglected and municipalities with scarce levels of institutionalization, sometimes diverted from CG choices. The study concluded that donors provided free support, which in some cases had a negative effect on municipalities, as some of them did not make any effort to strengthen themselves always waiting for programmes and projects available. The other negative aspect was that capacity-building initiatives provided by donors in Bolivia did not have acceptable coordination with the beneficiaries (municipalities) and programme implementing actors, contributing to duplication of effort and lack of uniformity in programmes and projects

(Perales 2002). The study stresses that there is no data on changes made since the promulgation of the Law on Community Participation in capacity-building initiatives and on the impact of financial support by donors (*ibid*).

Regarding success of capacity-building initiatives, Morgan (1997: 7) indicates that for development efforts to succeed the participants must be able to tap into them and generate what he calls 'social energy'. This refers to interventions that put forward new ideas and values, creating a new sense of legitimacy, flow of information and expectations. This seems important because it persuades people to acknowledge that if they cooperate, they can achieve common and positive goals rather than maximizing their own benefits and interests (Morgan 1997: 7). For capacity-building initiatives to succeed, they need to cover a wide range of inputs to build institutional readiness and a suitable skill-base to enable it to function effectively (Pieterse 2000; UNCDF 2005).

Grindle says that, in the 1990s many countries made efforts in capacity-building to strengthen government performance and enhance the operation of markets and the sustainability of democracy. Their success or failure relates not only to the quality and acceptability of the new rules of the game, but also to their appropriateness to time and place (Grindle 1997: 20). Wight in Grindle (1997) indicates that development assistance projects that focused on building capacity in developing countries are more in need of facilitators than project managers who focus narrowly on project outputs and ignore the deep cultural incentive changes necessary for sustainable development. Achieving good government requires time, commitment, innovative ideas, consensus building, changed behaviour and norms for those who work in the public sector, new rules of the game, efficient design, resource allocation in technical assistance and probably good luck. Many scholars argue that, interventions to develop governments to be more capable require an analytical tool that explores the roots of poor performance and that provide insights into the process of change. According to Grindle (1999), although capacity-building in human resources, organizational and institutional matters is the driving force for effective and efficient government performance, one has to recognize that despite these imperatives, knowledge of how to improve public sector capacity remains uncertain as researchers indicate that large numbers of capacity-development initiatives have produced only meagre results. She further states that, taking into account these shortcomings,

one wonders if organizational strengthening or training activities are the most efficient means to develop organizations. To Grindle (1997) capacity-building initiatives focusing on organizations and training activities typically rest on the belief that the binding constraints on performance can be effectively addressed by organizations or their employees. Yet these organizations and their trained individuals do not function in a vacuum as economic, social and political deficiencies affect their ability to perform assigned responsibilities. For that reason, efforts to improve performance must focus primarily on these conditions. The importance of this broader contextual setting shows that many capacity-building initiatives are designed without regard for this environment (Grindle 1997: 32-3).

There are several questions posed by Grindle (1997). Are administrative structures and monetary rewards effective determinants in public sector performance? Do structures and control mechanisms within the organizations contribute to good performance? Does training focused on skill and technology transfer lead to better performance among public sector servants? Regarding the first question, capacity-building initiatives focusing on civil service and public employment reform often give attention to structures such as pay scales and conditions of employment. Research undertaken in recent years, rest on the belief that performance will improve when public servants are well paid, have well-defined responsibilities and work within well-structured hierarchies, rules and procedures. Recent research also indicates that such reforms do not improve output unless they restructure public sector management systems to be performance-and results-oriented. For the second question, Grindle states that capacity-building initiatives must be reflected in organizations that are better able to carry out the responsibilities assigned to them. The answer to the third question takes into consideration that training activities should focus largely on increasing skill levels, particularly those skills necessary for the adoption of new technologies. Grindle (1997) also stresses that, human resource constraints derive more from failure to provide people with meaningful jobs and utilize their skills effectively than from problems related to training. Capacity-building is also important in providing policy formulators with the technical capacity to incorporate participatory approaches in planning, budgeting and management systems, and the technical capacity for field officials to translate LG decisions into effective results. Plummer (1999) argues that participatory ap-

proaches need horizontal and vertical skills development. By horizontal skills development, the author means that participatory skills development should be integrated in municipal functions. Poverty, participation and communication skills should not be seen as a technical or sector skill confined to one department, community participation must be a process of skills development taken up to some extent, by all departments. In terms of vertical skills development, the author argues that many skilled field workers have lacked the support of managers who are skilled in and committed to community participation, thus are unable to make sustainable progress in building community partnerships. Skills development in participatory approaches must therefore be established with a vertical emphasis, starting from the most senior officials (Municipal Commissioners, immediate deputies and department heads) down to skills building at lower levels of the municipal hierarchy (Plummer 1999: 87-9).

Plummer (1999) further argues that it is essential that senior managers establish a working knowledge of the principles of participation, the opportunities and constraints that may affect this process and the role of management in alleviating constraints and promoting participation. Technical officers require a deep understanding of participatory processes, the mechanisms, tools and techniques for implementation. They also need to develop the technical skills and knowledge that promote community participation (such as low cost, appropriate technologies and labour-based approaches to construction) (Plummer 1999: 89). The literature in this section helped design the study's research questions and, identify and select the following fieldwork indicators: capacity-building initiatives delivered by CG, donors or NGOs to the municipalities studied in areas such as leadership, participatory approaches to decision-making/planning/budgeting, LG policy management and implementation, LG human and financial resource management, auditing and LG capacity to use partnerships.

2.6 Research Questions

The research questions enumerated below were based on literature reviewed and the study's analytical framework. They are listed according to the independent variables discussed in this chapter.

Main Question 1

- To what extent are the Mozambican municipalities carrying out their new responsibilities and functions in decision-making and planning, administration, financial management and capacity to convene other actors to improve coverage of selected basic services?

Main Question 2

- Do the capacity-building initiatives provided by CG, donors and NGOs to the Mozambican municipalities in areas correspond to the gaps in LG capacities, namely decision-making, planning, administration, financial management and LG capacity to convene other actors?

Sub-questions of main question 1

- 1) Is the leadership in the municipalities studied able to lead and be followed, deliberate and influence policies positively, represent the municipality effectively and use its powers to foster an effective implementation of policies adopted through participatory approaches to governance?
- 2) Are there any updated (political, administrative and fiscal) decentralization policies with clear rules, procedures and methods for implementation?
- 3) To what extent is political party competition and participation exercised in the municipalities studied?
- 4) To what extent are the local communities (CBOs) involved in decision-making and planning in the municipalities studied?
- 5) Are there any new regulations, procedures and incentives to attract, retain, dismiss and promote staff, including management and key personnel?
- 6) To what extent do the LG officials' new technical capacities and technologies enable them to perform their duties effectively?
- 7) To what degree was the LG financial management capacity efficient in the municipalities studied?
- 8) Are the LGs in the municipalities studied able to convene other actors in the development process?

Sub- questions of main question 2

- 1) Which of these areas were/are targeted by capacity-building initiatives implemented by CG, donors and NGOs in the municipalities selected for the study?
 - LG leadership (Mayor , MA and MC members)
 - Institutional arrangements (LG legislation/rules/regulations/procedures)
 - Planning and decision-making capacity
 - Administrative capacity
 - Financial management capacity
 - Capacity to convene other actors (partnerships)
- 2) How effective were/are these capacity-building initiatives in addressing the real gaps that exist?

3

Research Methodology and Introduction to the Cases

3.1 Introduction

This chapter discusses the study's research methodology and the five cases studied. Regarding the former, the chapter will discuss the reasons for selecting a case study method, the main method for data collection and analysis, the field instruments, fieldwork and data collection period, data organization and analysis, and the research variables. Regarding the latter, this chapter will provide the main reasons for selecting the cases studied and consider the relevance of these reasons to the study aims. At the end of the chapter, there is a comparative analysis of all five cases in terms of levels of development considering aspects such as category, location, population size and, economic and infrastructure development.

3.2 Research Methodology

The case studies were selected to make the study manageable and deal with research time constraints. The comparative nature of the study and time constraints precluded an extensive survey or experimental research study. The case study method applied helped describe, explain and analyse events in the municipalities researched, where the interest was in the investigation of some problem situation, gearing the discussion to diagnose the problem, identify its sources and potential solutions. In this context, the analysis was to transcend description and explanation to include an assessment and prescription. This study approach also aimed to conduct targeted research, by focusing on relevant evidence and performing effective but time-limited fieldwork. The researcher sought to study naturally occurring cases and quantification of data was not a priority, as qualitative data seemed more appropriate for the study.

As there was a need for generalizations to similar units of analysis rather than to a population of units of analysis, the case study method was considered adequate for the study. The reduced number of cases also helped get as much in-depth data as possible.

The study used both qualitative and quantitative methods. Quantitative methods to make observations more explicit and to aggregate, compare and summarize data. A survey questionnaire was used to gather information on the extent of effective leadership in the municipalities under study, capacity to make decisions, plan, manage and implement policies, and to use partnerships effectively. Regarding qualitative data, the research instruments in the study were secondary data research, semi-structured interviews and observations. The design of these instruments was in accordance with the study's analytical framework. The study used a multi-pronged approach for data collection to enrich the study, make it more comprehensive and increase its validity.

3.2.1 Field instruments

Documents

Documents such as the new Local Government Act and the various by-laws that complement it, including the Legal and Institutional Framework for Local Authorities and the Law on Local Finances, were assessed to discover:

- LG (mayor, MA and MC/officials) new formal roles (functions and responsibilities) in decision-making, planning, management and policy implementation, and use of partnerships;
- LG new administrative and financial management working rules and procedures;
- Documents about capacity-building programmes delivered to the municipalities studied; and
- For the dependent variable-*LG improvements in service coverage*-the research studied LG reports and interviewed households on local service coverage to households.

Questionnaire

The researcher created a questionnaire, which proved to be an important source of information for the study. One questionnaire was delivered to 15 officials in each of the five municipalities studied, with specific ques-

tions dealing with LG as an institution and with LG officials' individual tasks in the municipalities studied. This was relevant in accessing the extent of effectiveness of LG leadership, LG decision-making capacity and ability to plan, manage and implement policies and use partnerships. The researcher agreed with Davids et al. (2005), so he attached a letter indicating who he was, his organization, the nature, aims and outcomes of the research and emphasized the confidentiality of responses provided. This also applied to the semi-structured interviews.

Semi-structured interviews

The researcher conducted semi-structured interviews with the mayors, municipal assembly (MA) members and councillors in the municipalities studied as well as a few field officials and CBO representatives to gather as much information as possible. The study also purposively selected a number of households and LG partners in service delivery (CBOs/NGOs/private sector members) for interviews to obtain inputs on the current extent of LG service coverage to locals, compared to the period before the establishment of the new Mozambican municipalities in 1998.

At a central level, *semi-structured interviews* were also conducted to senior officials of the Ministry of State Administration (MSA), Finance (MF), Donor Agencies and NGOs delivering capacity-building programmes to learn the effectiveness of these initiatives. Teams of scholars who evaluate decentralization in the Mozambican municipalities were also interviewed for additional insights about the process. When necessary and possible, the researcher emailed questions to respondents in advance to enable them to prepare for the interviews. This was an effective tool, which led the researcher to expanded research networks and information sources

Ethnographic observation

The researcher applied ethnographic observations to discern relationships among the dependent and independent variables and among the various actors in the municipalities studied. When possible, the researcher participated in meetings, MA sessions for public policy decision-making and witnessed CBO/private sector involvement in service delivery partnerships.

The study used a purposive sampling of respondents. This method provides a way to forecast, estimate or guarantee representation of each

segment of the population in the sample (Leedy 1993). The selection of the sample was in accordance with the research aims.

3.2.2 Fieldwork and data collection

Fieldwork began in November 2006, ended in February 2008 and took a total of 16 months over two phases. The researcher conducted the first phase from November 2006 until February 2007 and the second from April 2007 until February 2008. The first phase was a preliminary fieldwork stage in which data checklists were prepared, the translation and improvement of questionnaires and semi-structured interviews took place, and first contacts were made with senior officials in the Ministries of State Administration, Finance, the Administrative Court, donors and NGOs involved in capacity-building programmes. The initial contacts with respondents in the municipalities were also established and carried out during this phase, some secondary data documents were collected and the questionnaires and semi-structured interviews were pretested in selected municipalities. The researcher finalized the design of final data checklists, questionnaires and semi-structured interviews in this stage. The first questionnaires were delivered, in-depth semi-structured interviews conducted and secondary data material gathered. At the end of the first phase, a meeting with supervisors helped to analyse the first phase results and improve further data collection. During the second phase, intensive data collection occurred in all five municipalities studied and ethnographic observation carried out. In this stage, the initial data analysis came through a revision of all data sets and their initial categorization. This was important because it enabled the researcher to fill in the gaps discovered.

3.2.3 Data organization and analysis

During the semi-structured interviews, the researcher used a voice recorder and notebook and reorganized the information immediately after the interviews. All the data gathered through the instruments listed above were categorized and codified in accordance with the research's analytical framework to enable the researcher to comment, conclude and give recommendations. The relevant analysis was undertaken based on the below identified variables and categories. Issues such as correlation

and observed relationships between input and output variables were dealt with according to the purpose of the study.

Research variables

Input (independent) variables

1. Political variables
 - Personal leadership
 - Influence of political parties
 - Institutional set-up
2. LG capacities
 - Capacity to plan and make decisions
 - Administrative capacity
 - Financial management capacity
 - Capacity to convene other actors

Output (dependent) variable

3. LG effectiveness as improved service delivery coverage

The study used variable-and case-oriented comparative analysis. Being a comparative study, its aim was to find similarities and differences in LG capacities for effective performance in the municipalities studied. The study also compared and investigated if the capacity-building programmes delivered to these municipalities by CG, donors and NGOs improved performance. These different social settings (cases) provided a wide range of events and behaviours related to governance, which is relevant in generalizing to municipalities with similar size and levels of socioeconomic development in the country. The small number of cases studied effectively precluded the use of sensitivity analysis or other equally sophisticated method of statistical analysis.

During data analysis, the researcher also interpreted and analysed data gathered about the input (independent) and output (dependent) variables and focused on the interrelation between these variables. The study evaluated the extent to which the input variables led to the output variable-*The LG improved service delivery coverage to local households*. Regarding this dependent variable, the extent of service coverage was measured through the percentage of locals interviewed and questionnaires returned by local officials who selected services they were sure had improved. LG reports on service delivery were compared to households and local officials' inputs on service delivery to help draw conclusions. Ethnographic obser-

vation was used in all municipalities studied to observe relationships among various actors. This was mainly possible through objective (visible) LG results that led to the changes witnessed. The researcher had visited Matola, Manhica and Chimoio some years ago, before municipalization began, and again during data collection (many positive and negative changes were witnessed). Because the case study method addressed a situation with vague boundaries between phenomenon and context, the multiple sources of evidence discussed above—semi-structured interviews, questionnaires, documents helped triangulate the facts of each case and gather as much data as possible.

3.3 Reasons for Selecting the Municipalities Studied

Considering the aims of the study and the nature of capacity-building initiatives being delivered to the Mozambican municipalities, the researcher conducted fieldwork in the municipalities of Dondo, Matola, Manhica, Nacala-Porto and Chimoio. As mentioned, the study was comparative and investigated the extent to which the municipalities selected had an effective leadership, a feasible institutional set-up, capacity to make decisions and plan, capacity to manage administrative issues including LG finances and capacity to convene other actors in local governance.

The criteria and reasons for selecting the case studies took into consideration accessibility, time and financial constraints. Other general aspects were also taken into consideration, namely: coverage of the main country's regions, major capacity-building initiatives delivered to municipalities, political factors (ruled by the opposition or by Frelimo), level of development, size and category and some unique features. In this way, the main selection criterion had to account for practical considerations such as the five municipalities studied represent the country's major regions—South (Matola and Manhica), Centre (Dondo and Chimoio) and North (Nacala-Porto). The second main selection criterion is that they are of different categories and levels of development—category B (Matola—the most developed), C (Chimoio—Provincial capital), D (Dondo—small city and Nacala-Porto—4th major Mozambican city) and Manhica (the poorest of all), a small town. This set-up covers nearly all levels of municipalities in Mozambique, except for the Municipality of Maputo, the only one in category A. This municipality would amply justify a study

on its own. It was excluded from the analysis here because it is difficult to draw a line in terms of service delivery between the municipality, the provincial government (the City of Maputo is a province on its own) and the central government (CG). It is also a far richer and more complex municipality than the others, which demands a different level of analysis; for that reason, Matola, which is less complex, was selected instead. The third main criterion for selecting the municipalities studied was that the municipalities chosen would have benefited from most of the major capacity-building programmes delivered in Mozambique.

Before the first municipal elections in 1998, the city of Dondo as many other localities in the district, was under the rule of a District Administrator and his Sector Directors. The District of Dondo, like the other districts in the country, was a local arm of the Provincial and Central Governments and it implemented policies decided at central or provincial levels, it had no autonomy and depended entirely on higher tiers of government. After the first democratic local elections in 1998, the municipality began to function with a mayor, MC (executive body) and MA. This municipality was one of the first to introduce participatory approaches to governance in Mozambique. Dondo benefited from capacity-building initiatives since its first mandate, this included increased community involvement in participatory budgeting. Until recently, it was a good example of participatory governance and benefited from many funding and capacity-building initiatives from donors/NGOs. A publication about this municipality, *Dondo no Dondo* meaning 'Dondo in Dondo', describes how participatory budgeting involved locals. This was an important reason for selecting this municipality, if one considers that one of the aims of this study was to learn the extent to which Mozambican LG applies participatory approaches to governance. According to formal and informal sources, because of participatory approaches to governance, this municipality received ten times more financial resources than its normal budget. Under these conditions, it seemed worthwhile to study the impact of these funds and capacity-building initiatives on the performance of this municipality.

Also before the 1998 municipal elections, the City of Matola was under the authority of an executive council composed of a chairperson appointed by CG and three to five members appointed or elected by the city assembly. Now Matola has a mayor, a municipal assembly and municipal council (MA and MC). This municipality was a good candidate

for the study because it is in the country's major industrial area and benefits from capacity-building programmes from the Spanish International Cooperation Agency and the WB through the MSA. This study sought to learn the extent to which one of the most resourced Mozambican municipalities makes use/fails to use this fundamental advantage to improve its performance. Matola is also interesting because it had a mayor (university lecturer), MA and MC members with better academic qualifications.

The Municipality of Manhiça used to be part of the Manhiça District Administration before decentralization, now it has the same governing structures as other Mozambican municipalities. Compared to the four other municipalities studied, Manhiça is the poorest, with weaker infrastructure and less of its own local resources. In this case, the study investigated the extent to which a municipality with scarce financial resources compared to Dondo (see figures in Chapter 4) could cope with its new roles and responsibilities. Manhiça benefited from capacity-building initiatives from the Spanish Cooperation Agency. Like all Mozambican municipalities, it benefited from the Municipal Development Programme funded by the World Bank and implemented by the Mozambican CG.

Nacala-Porto, before the 1998 elections, like other districts, was under the rule of a district administrator and his sector directors. The city did not have autonomy in decision-making and financial management; it depended on the PG and CG. After the first municipal elections, the municipality had a mayor, MA and MC. In its second mandate, the main national opposition party, the Renamo, ruled the municipality. This is why the researcher selected it for the study, to learn the extent to which the opposition could cope with governing a key municipality, with a major port (3rd largest in Mozambique), under the national ruling of the Frelimo party. Before this study, the researcher discovered through a national newspaper that due to financial mismanagement, a CG agent was sent to Nacala-Porto to control LG expenditure. Thus, the relationship between LG and CG was not good, with an opposition party ruling this municipality, and this relationship worsened due to the financial mismanagement detected.

Before the first local elections in 1998, the city of Chimoio was under the authority of an executive council composed of a chairperson appointed by CG and three to five members appointed or elected by the city assembly. The city also depended on the decisions made by the PG

and CG. Since the first municipal elections, the municipality has a mayor, MC and MA. This municipality was selected for the study because it is a provincial capital and for having been considered, some years ago, the cleanest city in the country. The study sought to compare and share Chimoio's experience with other municipalities studied, as garbage collection and sewerage are serious problems for Mozambican municipalities. The local mayor was considered an effective and popular leader with a strategic vision (USAID Mozambique-PROGOV Project 2005-2006). The same source stated that Chimoio's Municipal Administration was efficient and its MA was constructive and deliberative and, it made efforts to contribute to a decentralized municipal management.

The selection of these municipalities seemed to be in accordance with the study's aims because the capacity-building initiatives discussed in this thesis are delivered to them. All four municipalities show differences in category, share of CG grants, size, population, level of infrastructure development and geographic location. This subject is addressed in detail in the next section.

3.4 Setting the Stage: An Analysis of the Five Municipalities

3.4.1 Municipality of Dondo

Dondo is a category D municipality. It is the capital city of the District of Dondo and is located 30 km from the provincial capital Beira, the second major city in Mozambique. It has an estimated population of 61,385 inhabitants and an extension of 382 square km (Folha Informativa dos Municípios II 2002). This municipality has ten wards Nhaminga, Mafarinha, Canhandula, Mandruze, Consito, Nhamaiabwe, Centro Emissor, Samora Machel, Macharote and the Central Ward. Dondo is a complementary development city to Beira. The majority of the population of Dondo belong to the tribe Bangué, resulting from the mix among the Machanges, Matewes and Pundos of the lower Zambezi river. Dondo is a city with main economic characteristics such as trade, services, agriculture, and mining and working limestone. It benefits from its neighbour, the Provincial Capital Beira City with the second largest Mozambican port, a railway and a road. Both pass through Dondo and link Beira with the hinterland regional and international markets. It has two banks the Mozambican Commercial Bank and Barclays Bank, and an Insurance Company (EMOSE). The city also has the main Mozambican public ser-

vices, communications and telecommunications and an airport. It also has many small enterprises for milling, carpentry and textiles. There are two large enterprises, Lusalite and the Cement Factory of Dondo that employ about 1,000 people and provide major benefits in development and taxes. The trade sector has seen a progressive development due to its internal growth and excellent location. Besides the 50 formally established shops and warehouses, there are ten formal and informal open markets throughout the city.

According to Folha Informativa dos Municípios II (2002), the education sector infrastructure still needs a lot of coverage and development; it presents a significant installed capacity for the city. The teacher/pupil ratio is 100 students per teacher in the primary school and one teacher for 24 students in the secondary school (see table 3.1 below).

Table 3.1
Schools in the municipality of Dondo in the year 2002

Levels	Schools	Class-rooms	Students	% of enrolment	Teachers
Primary school	14	58	12,708	76	126
Secondary school	1	7	1,095	8.6	45

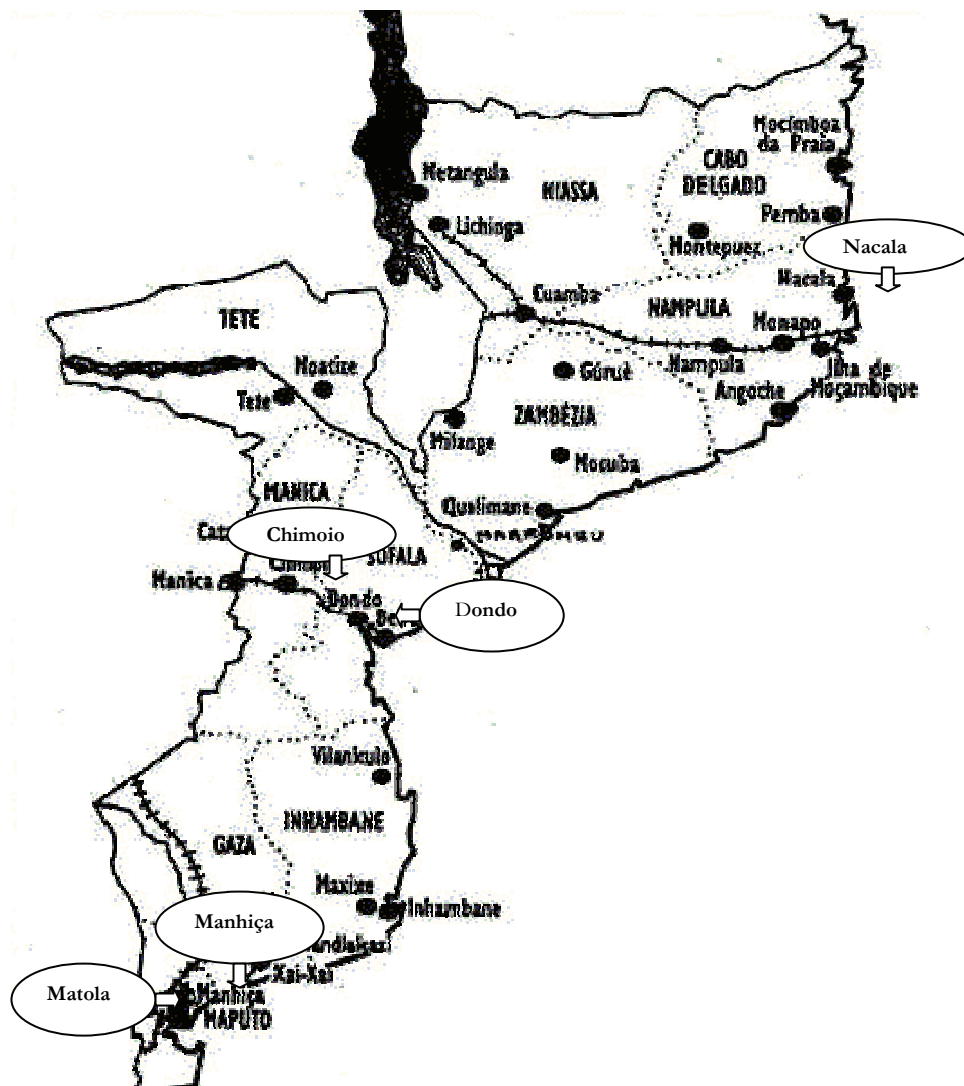
Source: Folha Informativa dos Municípios II (2002) and Demographic and Health Survey (DHS) 2003.

Table 3.2
Dondo's budget in 2005

Item	Amount in MZM
CG transfers	14,768,000
Funds from donors	19,500,000
Local revenue	732,000
Total annual budget	35,000,000

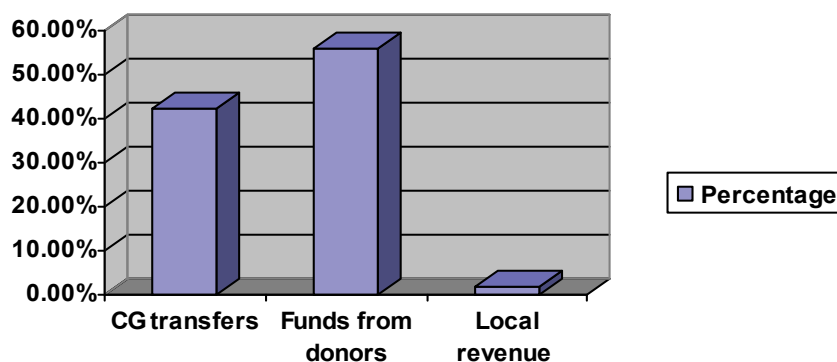
Source: Folha Informativa dos Municípios II (2002).

Map 3.1
Map of Mozambique (with the location of the 5 municipalities studied)



As mentioned, this municipality was one of the first Mozambican municipalities to introduce participatory approaches to governance. Dondo benefited from capacity-building initiatives since its first elected governing bodies, including the strengthening of local community involvement in participatory planning. Until recently, it was a good example of participatory governance and benefited from significant funding and capacity-building initiatives from donors/NGOs. A book published about this municipality, 'Dondo no Dondo' meaning Dondo in Dondo, describes how participatory planning occurs with the involvement of locals. Thanks to participatory planning, this municipality received ten times more financial resources than its normal budget. According to the Councillor of Finances of Dondo (interviewed in May 2007) and the Report on Transparency, Risk Areas and Opportunities for Corruption in six Mozambican municipalities (2007), in 2005 the municipality had a budget of 35,000,000 MZM (24.8 MZM=1 USD), approximately 19,500,000 were donations and the rest transfers (non-fiscal revenue) from Central Government. The locally collected revenue was only 732,000 MZM.

Figure 3.1
Dondo's budget percentage in 2005



Source: Report on Transparency and Corruption (2007).

According to figure 3.1, more than 97 per cent of the municipal budget of Dondo was from non-fiscal sources, donors and CG transfers. Dondo's fiscal autonomy ratio in 2005 was 2.09 per cent of total local revenue; this shows a weak capacity to collect local taxes and charges. Despite this weak capacity to collect local revenue, Dondo's local revenue per capita in 2006, including CG and donors' funds was 252.5 MZM, a little more than ten dollars for each inhabitant, far better than the other four municipalities studied.

3.4.2 Municipality of Matola

The Municipality of Matola, the capital of Maputo Province, is in category B and is located about 12 km from Maputo City, the national capital. It is 375 square km in area, with a population of 375,000 inhabitants distributed in 41 Wards (bairros). The majority of people are Ronga, of the Vatonga family and some belong to the Chope family. It is the country's major industrial area with about 60 per cent of all domestic industry. Matola is within the Maputo Development Corridor, a joint venture development project facilitated/coordinated by the Mozambican and South African governments. Its economic activities are commercial agriculture, various transformation industries, transportation, telecommunications and communications (Folha Informativa Municipal II 2002).

The Matola seaport complex, benefiting from the extension of the Maputo port, specializes in cargo-handling installations and modern equipment and is an important hub for regional development with considerable potential for the economic development. With the Maputo-corridor project, there will be improvements in regional integration, which will support major economic and social development in the region and particularly the city of Matola. The city has more than 500 factories and industries that employ thousands of people and have a major impact on local taxes. Besides this, there is Mozal a giant steel company in Southern Africa. The economic activities and products per sector are: agriculture and forestry; extractive industry; food and beverages; textiles, clothes and shoes, woodworkers and furniture makers; chemical industry; glass industry; metallic and metallic-mechanic products; construction; trade; restaurants and hotels; transports and communications; financial services; public services and others.

The city of Matola has delegations and branches of the majority of Mozambican banks and insurance companies including the major public services, communications and telecommunications enterprises. It also has an education system that can at least satisfy its local communities and the periphery.

Table 3.3
Public schools in Matola

Levels of education	Number of schools	Number of students	% of enrolment
Primary education (level 1)	51	77800	98
Primary education (level 2)	20	14987	96
Secondary education (level 1)	06	6832	28.5
Secondary education (level 2)	01	518	7.5
Industrial School	01	1151	1.47
Institute of Teacher Training	01	218	0.2
Institute of Public Administration	01	720	0.7

Source: Folha Informativa dos Municípios II (2002) and Demographic and Health Survey (DHS) 2003.

Matola had eight health centres (four maternity hospitals, five health posts; and one general hospital specialized in tuberculosis). Staff comprised 156 officials, four medical doctors and the rest from other specialties such as nurses and aides.

Matola collected 38.22 per cent of its total local revenue in 2006 and the remaining 61.78 per cent were CG transfers. It spent less than its total budget including CG transfers, 96.94 per cent, so the remaining 3.06 per cent reinforced the following year's budget. Matola's fiscal autonomy ratio in 2006 was 38.22 per cent and its local revenue per capita including CG transfers in the same year was 63.85 MZM. Although this is the second best of all five municipalities studied, it is still insignifi-

cant to its inhabitants. The percentage of people living below the poverty line is 48.4 per cent.

3.4.3 Municipality of Manhiça

The Municipality of Manhiça is in the northeast of Maputo Province. It is small, in the category of town and is located in a strategic position for transportation of its economic products by the main national road. It is about 80 km from Maputo and has two main economic activities—agriculture and trade, the latter largely informal. Manhiça has an estimated population of 18,000 inhabitants (1997 national census) spread over more than 250,000 square km. Manhiça has a small urban and a vast rural population in three wards and nine settlements called 1st, 2nd and 3rd Ward (bairro). The settlements of Chafutene, Chibucutso, Manhiça, Matelene, Mulentsua, Nhambi, Ribangua, Ribyiane and Tsatse. Most people from Manhiça are from the Tonga family through the group Ronga and Changane, it also has a small group of the Chope family.

With the main economic activities dependent on agriculture and trade, the municipality still has some small primary transformation industries and an important sugar-cane factory, Maragra. Apart from the economic and social role of this enterprise, it also has an important impact in local taxes. According to *Folha Informativa dos Municípios II* (2002), Manhiça has an educational system that at least satisfies the local community and the periphery. The teacher/pupil ratio in Manhiça is one teacher for 62 primary school students and one teacher for 32 secondary school students.

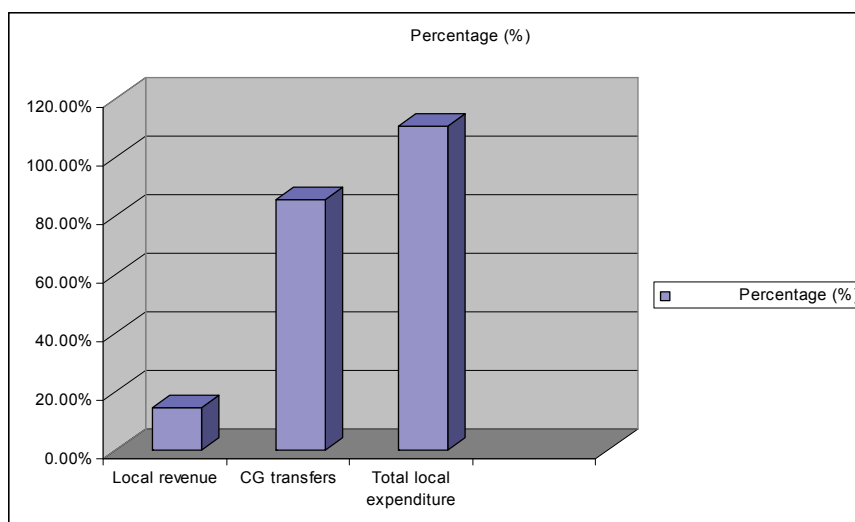
Table 3.4
Schools in the municipality of Manhiça

Level of education	No. of schools	Class-rooms	Students	% of enrolment	Teachers
Primary education	06	50	4780	94	76
Secondary education	01	08	452	6.4	14

Source: 'Folha Informativa dos Municípios II (2002)' and Demographic and Health Survey (DHS) 2003.

In the health sector, Manhiça has a rural hospital, a maternity hospital, a health post and centre. It also has three medical doctors, one surgeon, two midwives, two technical and health agents, six nurses and ten servants.

Figure 3.2
Percentage of local revenue in Manhiça compared to CG transfers and total local expenditure in 2006 in local currency (meticaís).



Source: Maniac's Budget and Expenditure Reports, 2007-Ministry of Finance.

Manhiça does not have direct cash funds from donors and it only collected 14.49 per cent of its total revenue in 2006. Again the measurement used to calculate the percentage of locally collected revenue was to separate it from CG transfers in the total revenue. The remaining 85.51 per cent were CG transfers. Its total local expenditure exceeded its total local revenue by 10.8 per cent in the same year. The municipality was indebted at the end of the financial year and could only cover the 2006 expenditure costs with the 2007 budget.

3.4.4 Municipality of Nacala-Porto

The municipality of Nacala-Porto is in the northeast of Nampula Province in northern Mozambique. Although it is a Category D municipality, it is the fourth largest Mozambican city with the third largest port. The port and the Nacala corridor are important infrastructures for northern Mozambique and for the hinterland Republic of Malawi. It is the most important natural port in Mozambique due to the depth of its waters. Nacala-Porto covers 400 square km and holds 198,783 inhabitants (1997 census), 80 per cent live in urban areas. The municipality has 21 Wards: Maiaia, Triângulo, Mocone, Bloco I, Matola, Ontupaia, Mathápue, Nauiaia, Mazuane, Lile, Naherenque, Mutiva, Chivato, Quissimajulo, Janga II, M'paco, Mahelene, Nacurula, Mupete, Muanoma and Murrupele. The basic ethnic group belongs to the ethnic sub-group Amaca (Islamic macuas) of the family Macua-Lomuè.

The city of Nacala-Porto presents economic activities essential for trade, port and railway services. The railway is 920 km long and has major regional significance for the northern provinces of Cabo Delgado, Niassa and Nampula, it also links Nacala to the Republic of Malawi. The city has branches of the main national banks and insurance companies including the main public services, telecommunications and communications enterprises. It also has a cashew nut factory, woodcutting and processing company, milling enterprises, various wholesale and retail shops, welding companies and others. Apart from the formal trade, there are six markets with 129 stalls.

Table 3.5
School levels in Nacala-Porto

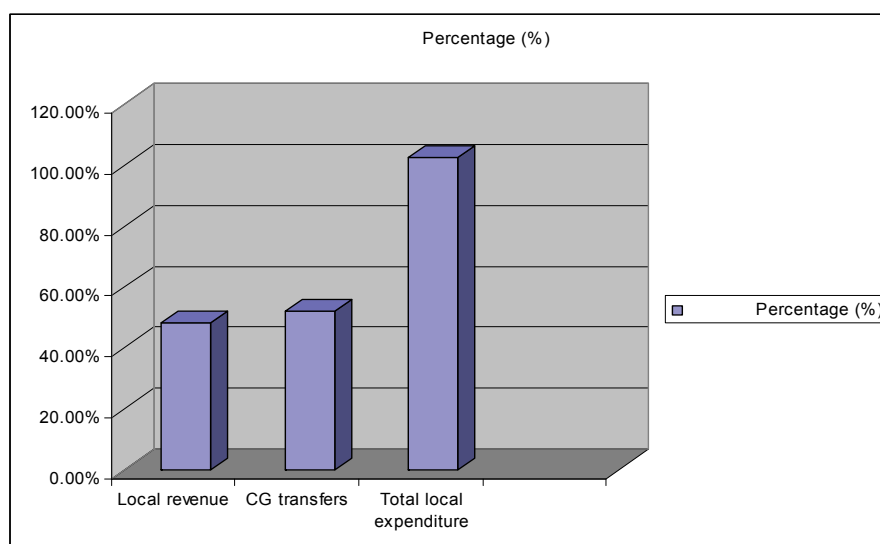
Level of education	No. of schools	Class-rooms	Students	% of enrolment	Teachers
Primary education	24	150	15.200	63	350
Secondary education	5	25	1500	9	50

Source: Folha Informativa dos Municípios II (2002) and Demographics and Health Survey (DHS) 2003.

Education

The municipality of Nacala-Porto has social infrastructure for education, which at least responds to the needs of local communities and their neighbourhood. The teacher/pupil ratio is one teacher for 43 primary school students and one teacher for 30 secondary school students.

Figure 3.3
Percentage of local revenue in Nacala-Porto compared to CG transfers and total local expenditure in 2006



Source: Nacala-Porto Budget and Expenditure Reports, 2007-Ministry of Finance.

Health sector

The Municipality of Nacala-Porto had one general hospital, seven health posts with more than 100 beds installed in them and more than 100 healthcare workers across all levels.

Amongst the municipalities studied, Nacala-Porto collected more local revenue in 2006 than any other did, 48.08 per cent of total local revenue. The rest came from CG transfers (51.92%). Like Manhica, Nacala-

Porto spent more than its 2006 budget, 102.7 per cent and used the following year's budget to cover the average.

3.4.5 Municipality of Chimoio

The municipality of Chimoio is the capital city of Manica Province; it is a Category C municipality with a population of more than 172,000 inhabitants (1997 National Census) and an area of 174 square km. It has 33 wards grouped in three localities, and the majority of its population is from the group Tewe of the Shona family. Chimoio is about 200 km from Beira, the major Mozambican central region port and about 100 km from the border with Zimbabwe. It has more than twice the population of Dondo. It is in a rich agriculture and cattle ranching area. It also constitutes the most important industrial, commercial and administrative centre in the 'Beira-Zimbabwe corridor'. The economy of Chimoio depends on the transformation industries of tobacco, citrus, cereals and poultry. Expansion in the Beira development corridor is visible in Chimoio due to infrastructures such as a railway, a pipeline and high voltage electricity.

Chimoio has textile, shoemaking, beverages, cooking oil, furniture making, milling, baking and welding industries among others. These industries employ hundreds of people and have a positive effect on development and local taxes. Here are some of the most important enterprises in Chimoio: Textáfrica, Emma, Coca-Cola, ARTI Commercial, CIPLA, Metalúrgica de Chimoio, Nutresco—an oil processing factory, a furniture factory, Pioneiro Milling, Sumovite, and 14 other milling enterprises. Chimoio's commercial sector has witnessed progressive development due to its internal growth and excellent location.

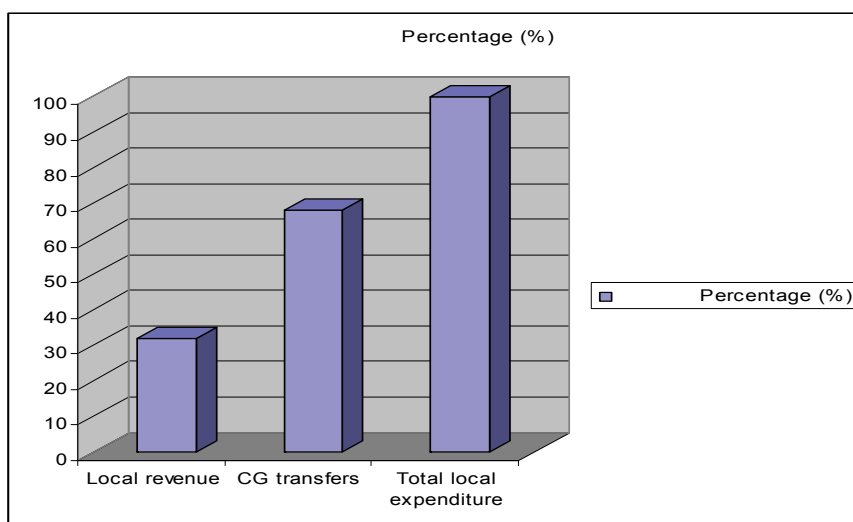
According to *Folha dos Municípios II* (2002), Chimoio has an education infrastructure that can satisfy the needs of local communities. The teacher/pupil ratio in the primary school was one teacher for 45 students and in the secondary school one teacher for 20 students.

Table 3.6
Schools in Chimoio

Level of education	No. of schools	Class-rooms	Students	% of enrolment	Teachers
Primary education	41	250	33.320	79	740
Secondary education	6	46	7.181	10	350

Source: Folha Informativa dos Municípios II (2002) and Demographic and Health Survey (DHS) 2003.

Figure 3.4
Percentage of local revenue in Chimoio compared to CG transfers and total local expenditure in 2007



Source: Chimoio Budget and Expenditure Reports-2007.

In the health sector, the municipality has one provincial hospital, various health posts and centres with about 220 installed beds.

Although Chimoio does not receive direct cash funds from donors, locally collected revenue was 31.98 per cent of its total revenue including CG transfers in 2007. The municipality spent all the money it received from both locally collected revenue and CG transfers in the same year.

Local revenue collection needs to be improved as less dependency from CG specified funds means more space for locally decided policies.

Table 3.7
Amounts of local revenue in Chimoio compared to CG transfers and total local expenditure in 2007 in local currency (1 USD=24.8 MZM).

Type of item	Amount in MZM
Local revenue	9,594,970.00
CG transfers	20,405,030.00
Total local expenditure	30,000,000.00

Source: Chimoio's budget and expenditure reports-2007.

3.5 Conclusion

The five case studies were selected taking into consideration accessibility, time and financial constraints and the need to keep the study manageable while gathering as much in-depth data as possible. Among the five municipalities studied, Matola, in Category B, is the most economically developed with more than 60 per cent of the country's industries. It has the most robust tax base and better infrastructure. The municipality with the best local revenue per capita is Dondo, 252.5 MZM in 2005 due to the extensive funding it received from donors. The second most developed is the city of Nacala-Porto, which has the best capacity to collect local revenue, 48 per cent of its full capacity. Chimoio and Dondo are next and the poorest of all of them is the small Town of Manhiça with the lowest population and local infrastructure. The next chapter analyses improvements in service delivery coverage and explanatory factors.

4

Analysis of Improvements in Basic Service Coverage and of Explanatory Factors

4.1 Introduction

Chapter 4 of this thesis focuses on how the independent variables, leadership personal characteristics, institutional set-up, influence of political parties in decision-making, local government capacity to make decisions and plan, LG administrative capacity, LG financial management capacity and LG capacity to convene were applied in practice in the municipalities of Dondo, Matola, Manhica, Chimoio and Nacala-Porto. This chapter provides a comparative analysis of the extent to which these factors contributed to improvements in local service delivery, the study's dependent variable. It presents fieldwork data and analyses it based on the interconnections among variables in each and across the five cases studied. The outline of this chapter is as follows: section 4.2 discusses improvements in service delivery coverage and community satisfaction; sections 4.3 to 4.5 deal with explanatory factors such as the essential political issues for LG to address participatory approaches to governance. For example, section 4.3 discusses leadership, 4.4 institutional set up, and 4.5 the influence of political parties in decision-making. This chapter also discusses other explanatory factors such as the capacity of LG to translate participatory approaches into positive results. For instance, section 4.6 analyses LG capacity to plan and make decisions, section 4.7 discusses LG administrative capacity, section 4.8 accesses LG financial management capacity, and section 4.9 discusses LG capacity to convene other actors in governance. Section 4.10 analyses the role of capacity-building initiatives provided by CG, donors and NGOs to LG, at institutional level (participatory approaches), organizational level (infrastructure and equipment), and human resource development (training).

4.2 Improved Service Delivery Coverage from 1998 until 2009

Data in table 4.1 on the extent of service delivery coverage came through LG reports on service delivery coverage presented by mayors in MA sessions and reports on activities, budgets and expenditure sent to the MSA by each municipality for funding. Apart from these reports, interviews were held with households, LG partners (NGOs, CBOs and private sector members) and a questionnaire was delivered to local municipal officials. Table 4.1 presents those services considered to have improved coverage in each municipality since 1998. Detailed discussion appears in the following sections.

Table 4.1
Indicators on improved service delivery coverage to local households, 1998 to 2009

Indicators	Dondo	Matola	Manhiça	Chi-moio	Nacala-Porto
-LG reports on service coverage in water provision and sewerage, garbage collection, public transport, social housing, access to roads/ streets, electricity and streetlights (selection of services depended on the capacity of each municipality).	-Road maintenance -Water supply (coverage 73%) of territory -Urban planning -Agriculture -New open markets -New investment in economic and social infrastructure -More flexibility in responding to community demands and their involvement in finding solutions (Report of the Mayor on Participative Budgeting in Dondo 2007)	-Water supply -Road maintenance -Waste management -Drainage services -Rehabilitation of open markets (Report of the Mayor on the implementation of the Plan of Activities between the XVI and XVII MA ordinary sessions YEAR)	-Urban resettlement planning -Water supply -Rural electrification -Gardens and parks -Regulation of private mass transportation (Proposal of the budget for 2007)	-Urban planning -Roads and bridges -Water supply -Social services (Project of income generation to vulnerable people) (Report on the Interview with SNV-Beira City YEAR)	-Urban resettlement planning -Water supply -Road maintenance -Electricity supply -Regulation of private mass transportation -Waste management (Report on Activities Accounts 2007)
-Inputs from locals (households) about improved service coverage (also see table 4.11)	-Water supply -Waste management -Electricity -Road maintenance -Regulation of private mass transportation	-Waste management -Electricity supply -Water supply -Regulation of	-Water supply -Waste management -Electricity supply -Regulation	Regulation of private mass transport -Public	-Electricity supply -Regulation of private mass transportation

below)	-Drainage services -Gardens/parks -Public cemeteries & funeral services	private mass transportation -Drainage services -Rehabilitation of open markets -Gardens/parks -Urban territorial planning	private mass transportation -Gardens/parks -Urban territorial planning -Road maintenance -Urban territorial planning	cemeteries & funeral services	-Public cemeteries and funeral services -Open markets
-Inputs from LG partners (CBOs/NGOs/private sector) about improved service coverage	-Urban territorial planning (cadastre) -Water supply -Road maintenance -Drainage services -Waste management -Electricity supply -Regulation of private mass transportation	-Urban territorial planning	-Urban territorial planning (cadastre)	-Water supply -Public cemeteries and funeral services	-Water supply -Roads and pavements -Electricity supply (public illumination) -Waste management -HIV/AIDS, drugs, youth prostitution combat
-Inputs from LG officials (15 questionnaires in each municipality)	-Water supply -Waste management -Electricity -Drainage services -Road maintenance -Urban territorial planning -Garden and parks -Open markets -Regulation of mass transportation	-Water supply -Road maintenance -Waste management -Drainage services -Open markets -Regulation of private mass transportation -Gardens and parks	-Water supply -Waste management -Rural electrification -Regulation of private mass transportation -Gardens and parks -Urban territorial planning -Road maintenance -Municipal police	Regulation of private mass transport -Public cemeteries & funeral services -Electricity -Open markets	-Electricity supply -Regulation of private mass transportation -Public cemeteries and funeral services -Open markets -Urban territorial planning

Source: Documents, interviews to households (20), NGOs, CBOs members and leadership, and answers to questionnaires from 15 public officials, in each municipality.

4.2.1 An Analysis of LG Reports

The Report of the Mayor of Dondo on Participatory Budgeting (2007) states that there were some improvements made in road maintenance and water supply. Where in 1998, before the first municipal elections, the municipality only had 10 wells it now has more than 105, which corre-

sponds to 73 per cent coverage of the entire municipality. Other improvements came in urban resettlement planning, agriculture, open markets and economic and social infrastructure. Now there is more flexibility in responding to community demands through their involvement in finding solutions for such demands. In the Municipality of Matola, the Mayor's Report on the Implementation of the Plan of Activities between the XVI and XVII MA sessions (2007) shows major improvements in water supply. Such as supervision of 40 private wells, provision of materials to maintain wells, preparing areas where wells and small water systems are to be installed. Open markets (sensitize the informal vendors of wards T-3, Tsalala and the terminal of public transports of Malhampsene to move to the formal market; there is a process being carried out to organize and rehabilitate the T-3 Ward market; a fair of crops and agricultural equipment was organized to support agricultural associations of 650 families at the Administrative Posts of Machava and Infulene); drainage services (the main drainage problems in Fomento and Infulene Wards were solved successfully), road maintenance (3 wet passages were rehabilitated at '4 de Outubro' avenue; pot holes were closed in the 'União Africana' and '4 de Outubro' avenues); traffic signs were placed at 'União Africana (UA)' and '25 de Setembro' avenues; rehabilitation was also done to the avenues 'Liberdade', 'Joaquim Chissano' and 'Indústrias'; procurement was done and acquisition of materials and equipment for road construction and maintenance was also carried out; Avenues Zedequias Manganhela and São Gabriel road were rehabilitated; and waste management (waste disposal places were eliminated in Machava, T-3 market, Infulene-A market, Machava market, UA avenue, Patrício Lumumba Ward, Mussumbuluco, Infulene, CMC and Zuid zone, Parmalat milk and juice factory zone). The Report on the Reply of the Solicitation for the Municipality of Manhiça to prepare the V National Meeting of Municipalities (2007) states that there have been major improvements in water supply, gardens and parks, waste management and urban resettlement planning in Mulembja, Tsa-tse, Cambeve, Balucuene and Aerodromo Wards, and rural electrification in the municipality also has improved. In the Municipality of Chimoio, according to the Report on the Interview with SNV in Beira (October 2006), there were improvements namely in urban resettlement planning in the Wards of Vila Nova, Centro Hípico, Trangapasso, Herois Moçambicanos, 25 de Junho and other wards already occupied; maintenance of roads and bridges, water

supply, and social projects of income generation have also had a significant positive impact on the lives of local communities. In Nacala-Porto, the Report on Activities and Accounts (2007), indicates that urban resettlement planning in erosion areas, water supply, road maintenance and waste management are areas in which major improvements have been made.

4.2.2 The views of local households and LG partners (NGOs/CBOs/private sector)

Regarding inputs from households and LG partners (NGOs/CBOs/private sector) on extent of service delivery coverage in Dondo, major improvements were reported thanks to participatory budgeting in areas such as water supply, waste management, electricity supply, road maintenance, regulation of mass private transportation, drainage services, gardens and parks, public cemeteries and funeral services, and urban resettlement planning. A comparison of both municipal council (MC) reports and community satisfaction with service delivery shows that participatory budgeting improved the lives of the citizens of Dondo, particularly the vulnerable significantly. The Austrian Cooperation Agency, the LG funding partner of participatory budgeting and local CBOs support this conclusion. In Matola waste management, water and electricity supply, regulation of private mass transportation, drainage services, open markets and gardens, and parks showed some improvement. The major LG partner in Matola is the Spanish Cooperation Agency. Local CBOs rarely participate in service delivery partnerships. The Spanish Cooperation Agency seemed satisfied with urban territorial planning, specifically in urban cadastre, where it helped deliver some training and with local open markets where it provided some funding for rehabilitation and reorganization for better taxing. Community members in Manhica manifested some satisfaction with water supply, waste management, electricity supply, regulation of private mass transportation, gardens and parks and urban resettlement planning. Comparing the MC report with inputs from communities shows some improvement in service delivery. Like Matola, the Spanish Cooperation Agency is the major LG partner of Manhica, local CBOs do little in terms of partnerships. The Spanish Cooperation Agency said it was satisfied with urban resettlement planning (urban cadastre), and taxation in the open markets had increased due to rehabilitation and reorganization of these services. All local communities agree

that service delivery in Chimoio is poor, 'this was an example of a clean city in the whole country, but this government is turning it into a dirty one, with piles of smelly garbage in the markets, and streets full of pot-holes' (community member interview in Trangapasso Ward, December 2006). Some interviewees cited improvements in regulating private mass transportation, public cemeteries and funeral services. The LG partner GTZ was satisfied with water supply improvement due to its support. PROGOV-USAID project expected participatory budgeting results in Zaragato Ward to be successful and replicated throughout the municipality, but the project was terminated when USAID stopped channelling money to the project, due to lack of effective results. Local CBOs showed satisfaction with combating HIV/AIDS, community income-generation projects and social services for orphan children. Community members in Nacala-Porto consider local service delivery neither poor nor improving significantly, but indicate that electricity supply, regulation of private mass transportation, public cemeteries and funeral services, and urban resettlement (opening of new roads) have improved to some extent. Some LG partners seem biased towards improvements in areas where they support LG such as water supply and erosion management (Projecto 7 Cidades, DANIDA). They indicate that there were remarkable improvements, a contradiction with community members' views of local service delivery. Local CBOs cite some improvements in road maintenance, electricity supply, waste management, HIV/AIDS awareness and to combat drugs and youth prostitution and increased girls' education.

4.2.3 Service coverage improvements

Although the 20 households interviewed and the 15 questionnaires filled in by local officials in each municipality studied may not seem representative, the researcher corroborated data gathered from LG reports with household interviews and LG officials' questionnaires. To correct inaccuracies in the questionnaires, some officials were interviewed to clarify data. Data from households regarding urban territorial planning, municipal police and regulation of private mass transportation derived from the assumption that locals could see changes in all 5 municipalities in the use of urban land and removal of squatter camps built during the civil war on the city periphery. They could also perceive the reorganization and planning of resettlement, with accessible public infrastructure such as

roads, schools and health posts. The researcher then could compare data from each municipality to determine which city achieved the most progress. The increases and decreases in service delivery coverage (number of locals benefiting from each service when this study was conducted) was the measurement used to determine positive or negative LG performance. The same applies to the regulation of private mass transportation. Regarding the municipal police, local community perceptions developed about whether they were doing their jobs effectively in regulating private mass transportation, open markets and if they could also control and sanction market vendors. Objective (visible) outputs delivered by LG during this new municipalization process complemented the subjective data from the questionnaires and interviews. The researcher tried, based on the data collection instruments used (triangulation), to find an approximation to ranking service delivery coverage improvements in the municipalities studied. The inputs from LG partners including the private sector, although useful, they seem to support what they do in each of the municipalities studied. An important conclusion is that the principal for improvements in basic service delivery were the municipal governments. CG agencies have limited powers and responsibilities within the municipalities; they mainly deliver services for other localities and administrative posts in the district.

Tables 4.2 A and B

Comparison of service delivery coverage in the five municipalities studied; percentage of local community inputs from interviews to 20 households and 15 questionnaires from public officials in each municipality studied (n=35)

4.2 A

Municipalities	Water supply	Waste management	Electricity	Public cemeteries	Drainage services
Dondo	75%	75%	60%	60%	70%
Matola	65%	60%	65%	40%	55%
Manhiça	65%	55%	60%	40%	45%
Nacala-Porto	40%	45%	60%	55%	45%
Chimoio	35%	25%	40%	55%	35%

4.2 B

Municipalities	Road maintenance	Urban territorial planning	Open markets	Gardens and parks	Municipal police	Regulation of private mass transportation
Dondo	65%	50%	50%	60%	50%	70%
Matola	50%	60%	65%	65%	45%	75%
Manhiça	65%	60%	60%	65%	45%	60%
Nacala-Porto	35%	50%	60%	45%	45%	65%
Chimoio	35%	35%	40%	30%	35%	60%

Note: Regarding urban territorial planning, municipal police and regulation of mass transportation, the questionnaires sent to 15 LG officials and interviews with mayors, councillors and presidents of MAs in each municipality provided data that were more accurate. Data from households were important to observe the extent to which it could report comparable progress in their respective areas.

Source: Interviews with 20 households and answers to questionnaires from 15 public officials in each municipality studied.

Figure 4.1

Percentage of local community members' satisfaction with service delivery (20 respondents in each municipality)

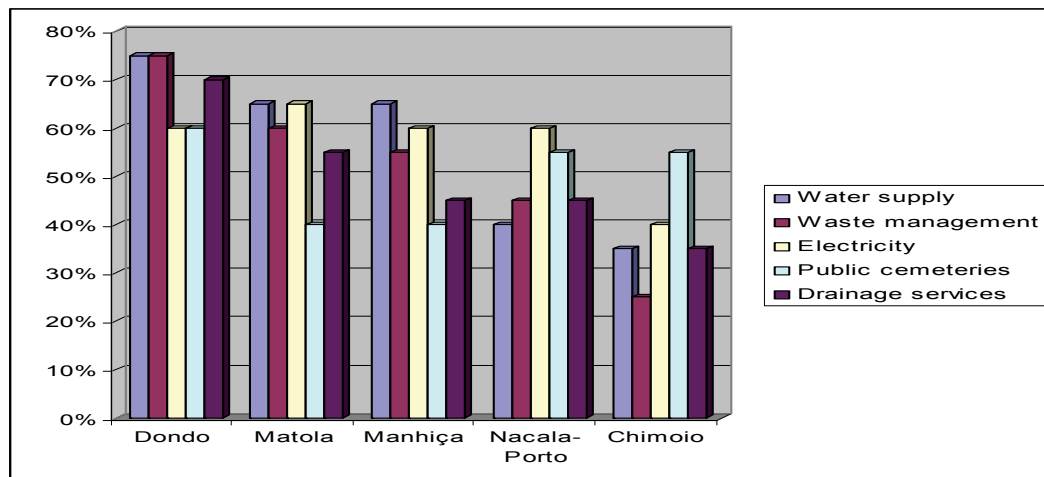
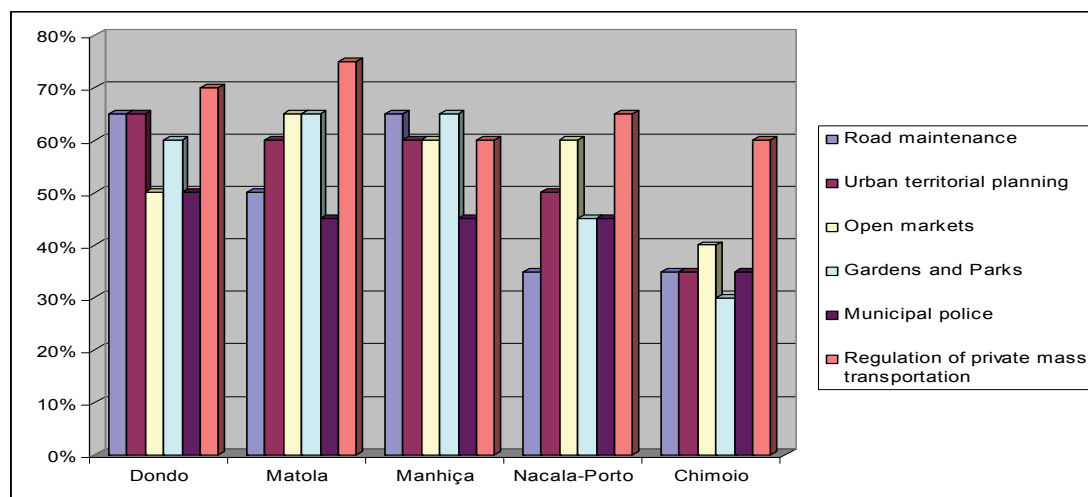


Figure 4.2
*Percentage of local community members' satisfaction with service delivery
 (20 respondents in each municipality)*



Source: Interviews to 20 households and answers to questionnaires from 15 public officials in each municipality studied

4.2.4 Ranking service delivery coverage in the five municipalities studied

Although ranking service delivery among the five municipalities studied is not a precise measurement tool, it is relevant for showing order of magnitude. In terms of extent of service delivery coverage in each municipality, the 100 locals interviewed (20 in each municipality) and 75 questionnaires received (15 in each municipality) from local officials ranked service delivery as follows. Dondo, leads with six services well delivered—water supply, waste management, road maintenance, drainage services, public cemeteries and funeral services, and municipal police. Dondo is also better at providing some other services than the remaining municipalities studied. With six services better provided than the other three municipalities excluding Dondo and roughly even with Manhica in gardens/parks, Matola ranks second, followed by Manhica, which leads in gardens/parks and urban territorial planning together with Matola. The fourth ranked municipality is Nacala-Porto which, although it does not lead in any service delivery area compared to the other municipalities, local communities were satisfied with road maintenance, urban territorial planning, electricity supply, public cemeteries and funeral services and, regulation of mass private transportation. The municipality of Chimoio is behind in all services compared to the other municipalities.

In terms of performance, the five municipalities are ranked as follows. Dondo is best in service delivery because it produced the most tangible results and there was monitoring of the implementation process by donors, the ward nucleus and local associations. Matola ranked second while Manhica was the third. In Nacala-Porto, ranked fourth, although the current mayor found the municipality in a chaotic situation, a lot more should have been done to improve local service delivery coverage. In the last position, Chimoio did not perform well; it only came equal with Nacala-Porto in public cemeteries and Manhica in private mass transportation. The municipality fell from the most tidy and clean into one of the dirtiest in the country.

4.3 An Analysis of Leadership

Questionnaires filled in by public officials and interviews with councilors and MA members were the main sources of data of leader's personal characteristics. Particularly regarding data about leadership (mayors and

other key officials), some input came through interviews with local community members. This seemed necessary, as it helped clarify and reduce biased responses from councillors, MA members and public officials who tried to conceal valuable information about their key leaders' personal characteristics, particularly their capacity to lead and deliver visible results that reflect real local community needs and wants. Detailed discussion on leadership in the five municipalities studied is in the following sections.

Leaders in the municipalities studied show different leadership characteristics in terms of academic and professional qualifications. Among all five mayors, the late Mayor of the Municipality of Matola was the only one with a university degree (University lecturer) while the Mayors of Dondo, Manhiça, Chimoio, Nacala-Porto had only completed or studied up to secondary school. Nonetheless, interviewees and respondents considered them to have significant experience in leadership because, some of them had been district administrators or heads of district directorates (Dondo, Chimoio, Manhiça). Interviewees and respondents regarded the Mayors of both Dondo and Matola as strong and experienced. The Mayor of Dondo was the District Administrator of Dondo before his two terms as Mayor, he recently won a third mandate and members of his community regard him as a good leader who is trusted by his party. The late Mayor of Matola held a university degree in public relations; he was a university lecturer and regularly participated on TV debates about international politics. He was considered a good leader who was devoted to improving the living conditions of the communities of Matola. Both Mayors of Dondo and Matola were considered to have capacity to lead, to relate to MA members and be followed by them. Concerning leadership characteristics, the Mayor of Manhiça was considered reasonable, while the Mayors of Nacala-Porto and Chimoio bad performers amongst all municipality mayors. In terms of capacity of mayors to use their powers to appoint and dismiss councillors and key officials effectively, they seemed to have strong party bonds, and clientelism seemed to play a role in the recruitment process. Perhaps the Mayor of Matola may have tried to correct this issue by appointing some councillors and officials with higher degrees, but the Mayor of Chimoio has shown some weakness in appointing councillors, one of them was the son of the President of the Municipal Assembly of Chimoio. Likewise, in Nacala-Porto, all councillors and most part-time/contract personnel (89 officials) belong to the

Table 4.3
Indicators on leadership personal characteristics

Indicator	Dondo	Matola	Manhiça	Chimoio	Nacala -Porto
-Academic and professional qualifications of Mayor	Secondary level	University level	Secondary level (did not complete it)	Secondary level	Secondary level
-Capacity to lead and be followed (measured through percentage of questionnaires filled in-very/ good/moderate/ bad)	-Very good	-Very good	-Moderate	-Bad	-Moderate
-Vision (prospects) of local development.	-Short term (no strategic development plan). Only a 5 year plan from electoral manifesto). Intervention is of ad hoc nature in reaction to problems (only Maputo and Cuamba have a strategic plan in the whole country)	✓	✓	✓	✓
-Capacity to relate to members of Municipal Assembly (MA)/Councillors/ field officials; (also measured through percentage of questionnaires filled in-strong/moderate/weak)	-Moderate (weak accountability to MA)	-Strong party bonds	-Strong party bonds	-Moderate (lost some trust due to controversy over his high salary)	-Moderate (confrontation with the MA and District Administrator)
-Members of Municipal Assembly (MA), officials and community perceptions about local leader (strong leader/innovative/shaker)	-Strong and experienced leader	-Intellectual and strong leader	-Moderate	-Experienced but became weak (MA constructive)	-Moderate (MA) but strong (according to local community perceptions)

-Capacity to effectively use powers and responsibilities to:					
-Appoint and dismiss Councillors/officials.	-Moderate	-Good (most councillors and recent officials with university degrees)	-Moderate	Questionable (Councillor of social services-son of the PMA)	Questionable (About 89 part-time officials hired without a public service entrance exam and some with ages for retirement) -Moderate
Deliberate, influence and adopt policies that reflect local communities needs and wants)	-Good	-Good	-Moderate	-Moderate	-Moderate
Represent the municipality	-Good	-Excellent	-Good	-Moderate	-Good
-Academic and professional qualifications of councillors/MA members)	-Average (secondary education)	-Attempt to work with highly qualified individuals	-Average (secondary education)	-Average (secondary education)	-Average (secondary education)
-Percentage of women in Municipal Assembly and Council/LG officials	-About (1) 16.6% Councillors / (3)=14.2% MA and 26% LG officials (most of whom are servants, secretaries and some accountants)	-About (2) 20% Councillors / (14)=34,1% MA and 37% LG officials (most of them servants, secretaries and some accountants)	-About 0% Councillors/ (4) =23.5% MA and 34,6% LG officials (most of whom are servants, secretaries and some accountants)	-About (1) 12,5% Councillors/ (8) 20,5% MA and 28% LG officials (most of whom are servants, secretaries and accountants)	-About 0% Councillors/ (6)=MA about 15.3% and 26% LG officials (most of whom are servants, secretaries and accountants)

Source: Documents, interviews with households (20), NGOs, CBOs members and leadership, and answers to questionnaires from 15 public officials, in each municipality.

Table 4.4
Leadership personal qualities

Municipality	Very good/good	Moderate	Bad
Matola	80%	15%	5%
Dondo	70%	15%	15%
Manhiça	20%	70%	10%
Nacala	15%	60%	25%
Chimoio	10%	40%	50%

Source: Interviews with 20 household members and answers to questionnaires from 15 public officials in each municipality studied.

same party as the mayor. In terms of capacity to deliberate, influence and adopt proper policies and represent the municipality well, the Mayors of Dondo and Matola were considered slightly better than the other three. Matola showed efforts to employ as many highly qualified councillors, department heads, officials and municipal assembly (MA) members as possible. There is evidence that its administrative services have shown improvements due to these qualified staff members. The other municipalities benefited from more experienced staff, with the average academic and professional qualifications of secondary school education, even though Dondo performed its administrative services well.

Regarding ranking leaders' personal characteristics, among all municipalities studied, the Mayor of Matola was the only one who fulfilled Leach and Wilson' (2000: 17) four important leadership tasks, namely maintenance of cohesiveness, development of a strategic and policy direction, representation of the authority in the external world and ensured programme implementation. He was an intellectual leader, highly influential and innovative and, could lead and be followed. He was also effective in appointing councillors and key MC officials, most of whom had higher academic and professional qualifications. The electronic newspaper 'O Canal de Moçambique', in its 651/09/08 edition, regarded the Mayor of Matola as one of the three best mayors in the country. The Mayor of Dondo ranked second, he was also an experienced and strong leader, but his leadership was conditional on funding from donors. The pressure from donors contributed to leadership effectiveness and im-

provements in basic service delivery coverage in Dondo. The Mayor of Manhiça was a moderate leader and had a positive influence in the improvements made in service delivery coverage. Both the mayors of Nacala-Porto and Chimoio were ineffective, the former due to confrontation with local MA members and the district administrator, a situation that seems to have affected his leadership negatively and the latter due to his higher salary than any other mayor in the country as well as corruption.

4.4 The Institutional Set-Up

4.4.1 General

Despite universal municipal rules and regulations, there are differences in terms of application among municipalities (see sections below). The study found that because CG and municipal officials did not know the municipal legislation, they had limitations addressing important aspects of their work. Data on LG institutional set up came mainly through documents (Local Government Act, Law on Local Authorities, Law on Municipal Finances, etc.) and LG reports. Interviews and questionnaires were also important in providing further data. Table 4.5 shows indicators on this issue and a detailed discussion appears in the section that follows.

Table 4.5
Indicators on LG institutional set up
(applies to all Mozambican municipalities)

Indicator	Municipalities (Dondo, Matola, Manhiça, Nacala-Porto and Chimoio)
Legal Constitutional form of Municipality (elected/appointed political body)	Elected political body (Mayor/Municipal Assembly Members)
-Legislation on powers/ functions and responsibilities of Mayor/ MA members/ Councillors.	Not very clear. There are some shortcomings (see table description below)
-Legislation that addresses gender issues	Not very clear (see table description below)

-Legislation that recognizes community (CBOs) participation in policy decisions	-Law 8/2003 of 19 May. It does not impose the form of participation (the most commonly supported is the MA members representation of communities in assembly sessions) -Article 38 of Law no. 11/97 of 31 May
-Written rules and procedures for LG and public officials operations (all five municipalities have the same status, and their internal rules and procedures follow the ones laid for the whole state apparatus -only Maputo, the capital of the country has its unique status with some different internal rules)	-The Local Government Act (1997) -Law on Administrative State Oversight to Municipal Bodies -New Labour Law (2009) -Law on Local Authorities (1997) -Law no. 8/2003 on Principles and Norms of Organisation, Competencies and Functions of Local Bodies of State at the level of province, district, administrative post and locality -Regulation on Procurement, Provision of Goods and Service Delivery to the State (Decree No 54/2005 of 13 December) -Law on the Statute of Titleholders of Municipal Bodies -Law on Municipal Finances (1997) (revised) -Fundamental Principles of Municipal Assemblies -General Statute of Public Sector Officials (2001) -Updated Law 18/2007 on the Juridical Framework for the Election of Municipal Titleholders -Municipal job descriptions -Municipal code of conduct -Municipal regulations
-Internal and external accountability mechanisms (written rules and procedures for accountability)	-Weak internal and external accountability procedures (see table description below-comparison with donors) -Weak accountability to MA, but effective to donors MC internal regulation (Dondo, Matola, Manhiça, Chimio and Nacala-Porto) -MA holds both Mayor and MC accountable (Matola)
-Internal and external monitoring and evaluation procedures (written rules and procedures)	-Job descriptions and monitoring and evaluation by officials' superiors (partisan politics- clientelism) -Code of conduct -MC internal regulation

Source: Documents, interviews on leadership and answers to questionnaires from 15 public officials in each municipality.

4.4.2 The application of LG legislation and regulations

Although the institutional set up applies to all Mozambican municipalities (the Municipality of Maputo has its own statute as the capital of the country), the degree to which laws, rules and regulations are applied vary in the five municipalities studied. One criticism is that both central government and local officials have insufficient knowledge of LG legislation and regulations. They certainly are unaware of their respective laws and that there is improper practical application of laws and regulations. Therefore, training and technical assistance must help to improve knowledge of the LG legislation and its regulations. In Dondo, Nacala-Porto

and most of the municipalities studied, although procurement procedures are clear, mismanagement of goods acquired through LG funds resulted from lax adherence to procedures. These are examples of the purposeful ignorance of laws, which together with insufficient knowledge of LG legislation by officials helped lead to what Chabal and Daloz (1999) calls institutionalization of disorder, wherein the state oversight bodies do little to sanction incorrect behaviour from MC officials. Patron-client relationships also apply in the recruitment of new staff, where fellow party members are hired without any public entrance exam. When new mayors come to power, they substitute key officials in the departments of administration and finance. They practice cronyism and hire their friends who may not have the skills to hold such posts. In almost all municipalities studied, there were delays in processing local community members' petitions. The researcher observed problems in the issuance of licenses for construction. MC officials often created delays to allow for bribes. No bribe, no license. In all municipalities studied there are serious problems in the acquisition and licensing of plots of land for construction, evidence shows that deals have to be made with municipal officials working in this area to acquire and license a plot. *According to the Report on Transparency, Risk Areas and Opportunities for Corruption in 6 Mozambican Municipalities* (2007), there are two forms of financial management—transparency in the management of donated funds and lack of transparency in the management of LG's own revenue. The report concluded that although there is a legal existence of Purchasing, Reception and Contracting Commissions of Goods and Services, in Chimoio, Nacala-Porto and Dondo, procurement rules and regulations are not followed strictly, and in some cases they are marginalized by the municipal leadership, including mayors.

According to the USAID Final Report on the Evaluation of Corruption in Mozambique (2005), local and national NGOs and donors promote public participation and advocacy at municipal and district level through capacity-building. There is also some donors' support involving local communities in capacity-building actions to enable them to have a regular dialogue with LG officials in the planning process, through consultative and participatory forums and local development committees. Sometimes these forums deviate by political interests and fail to represent locals effectively. At the local level, civil society is weak and disor-

ganized. Illiteracy and lack of education in rural areas hinders local organization.

Here are the areas within municipalities that are vulnerable to corruption. Use of urban land, although there is a plan of use of urban land in the municipalities, officials cause problems in the attribution of deeds and land use, and the mechanisms employed to control and inspect the concession of these deeds are inadequate. Concession of licenses for economic activities and, control of public tendering is weak, specifically in construction. With the exception of donor projects in Dondo and to some extent in Matola, there are commissions created to follow existing procurement rules, but there is little inspection of the process. Regarding donor projects, likewise in these two municipalities, there are various taxes and charges collected giving the general perception of corruption in the collection and application of related funds leaving locals out of the process. The Inspector General (for internal auditing) and the Administrative Tribunal (external auditing) do not have the necessary capacity to audit the municipalities regularly. At the municipal and district level, there is a need to strengthen LG and hold it responsible. Rarely there is monitoring of the implementation of the recommendations given by auditors/inspectors. In general, the municipalities do not have an inventory of their state assets and locals usually do not have sufficient information about the municipal services to which they are entitled and the costs of those services.

In summary, the legislation and job descriptions are clear about the powers, functions and responsibilities of mayors, councillors and MA members, but it seems that not all these leaders, CG or LG agents have full knowledge of their powers, functions and responsibilities. This is why in Nacala-Porto there was a misinterpretation of the legislation on licensing and awarding contracts for mineral extraction, between the Minister of Mineral Resources and the mayor in 2007. In addition, no clear legislation addresses gender issues, but the Local Government Act acknowledges and recommends a major representation of women as councillors, MA members and LG officials.

Concerning written rules and procedures for LG and public officials' operations, despite efforts at clarification, according to the Sustainable Democracy and Human Rights-Occasional Papers (2001), in finances and legality the rumoured dispute between the Ministry of Finance and the Ministry of State Administration prevented the issuing of any regula-

tion. For example the CG has taken contradictory actions, because municipalities are supposed to receive 30 per cent of the tourism tax (partly to pay for facilities provided to tourists), but that tax was abolished with no compensation to municipalities. Municipalities have responsibility for electricity and water, but these services are being privatized at national level. The paper also states that the national salary structure for civil service has been completely revised, thus the law concerning municipal salaries no longer applies forcing municipalities to set their own salaries (Sustainable Democracy and Human Rights-Occasional Papers 2001). The paper also lists two other areas to revise: administrative oversight and conflict of interest. Under administrative oversight, the CG can only intervene if the municipality is breaking the law or violating regulations, but practically a few regulations have been issued. The Ministry of State Administration has intervened in several situations, but lack of rules makes it difficult for this ministry, the Ministry of Finance and the municipalities themselves to see just how administrative oversight is performed. The law is also very detailed on avoiding conflicts of interests, but practice has proven more difficult (*ibid*). This means that regulations are necessary to define the rules in more detail, and lack of regulations may lead to corruption.

4.4.3 Some improvements in legislation

During the Annual Meeting of Municipalities in Manica and Lichinga in 2007 with the Ministry of State Administration, some policies and programmes were defined or revised to improve LG management capacity. Lack of coordination among the various LG partners in the municipal development process and uniformity in action policies, caused the Council of Ministers to approve and issue an LG Development Policy and Strategy in 2006. Due to poverty in the urban zones and their low level of infrastructure and sustainability, an urban development strategy in Mozambique required definition and promotion, while at the same time there was a need to recover the previous Urban Development Plan. Since a mayor can have up to 50 per cent of councillors in the MA, the Local Government Act (1999) was also revised on this issue, it was concluded that their functions and actions were ambiguous. As mentioned in the previous sections, there was an insufficient knowledge of the LG legislation by the municipalities and state agents. Thus, training and technical assistance was introduced to improve knowledge of the LG legisla-

tion and for the municipal assembly to deliberate and define effective policies. Lack of remuneration for MA members on their daily work, led to the law on LG finances being revised to define those remunerations based on each municipality classification. The Law on LG Finances and the LG Taxing Code were also revised due to changes in the taxing system that ended some LG taxes. Taxation of tourism was in the revised LG tax system and there was simplification of the tax on buildings and vehicles. During the revision of the law on LG finances, it was decided that the municipal treasury had to be given technical and human resource capacity to function adequately, and that a unique document/manual with all the current fiscal legislation on it had to be elaborated, codified and internally and externally distributed. The criteria of attribution of the Municipal Compensation Grant (fund) and the Local Investment Grant (fund) was revised and improved to increase benefits for poor municipalities (towns). Because private enterprises within the municipalities did not pay the LG taxes on buildings, Law no. 11/97 was revised so that municipalities could tax those enterprises. Because municipalities did not have an adequate tool for the management of their urban territory, the National Assembly and the Council of Ministers elaborated and approved the Decree on Territorial Planning. The next step was to organize campaigns to study and divulge the new law (Report of the Annual Meeting of Municipalities in Manica and Lichinga 2007).

The MAs of all five municipalities do not hold their MCs accountable effectively because the MA members fear their mayor, who is, in most cases, the head of the ruling party in the municipality. He overpowers the MA (including his political party majority members in it) and although the rules establish that the mayor and the MC have to be regularly accountable to the MA, the Mayor and Municipal Council of Dondo usually do not abide by this rule. Not even the central government, which is from the same political party persuade or sanction them. The auditing systems of state oversight bodies are inefficient, and the MCs seem to benefit from this. In case of irregularities discovered by auditors, the MC is only recommended to make improvements. The Directors of the Departments of LG Auditing in the Administrative Tribunal, Ministry of State Administration and Ministry of Finance were unanimous in saying, because the decentralization process is still new, there are no penalties for municipal councils that show irregularities, they receive only persuasion and recommendations. Although this is still a learning process, sanc-

tions must apply to the mismanagement of funds, which is one of the most important ways to curb corruption. These sanctions can also be incorporated in this learning process, so that officials will also learn the consequences of mismanagement of funds. The internal accountability systems seem to be working, but party relationships are more evident.

4.4.4 Forms of community participation

Table 4.6 below illustrates the different types/forms of community participation applied in the municipalities studied, the checkmarks indicate the municipalities where each form is applied and the (X) indicates where these forms are not applied.

Table 4.6
Forms of community participation applied in each municipality

Forms of community participation	Dondo	Matola	Manhiça	Nacala	Chimoio
Participatory budgeting	✓	X	X	X	X
Community interaction with MA members	✓	✓	✓	✓	✓
Public meetings	✓	✓	✓	✓	✓
Open government office	X	✓	X	X	X

Source: Documents, interviews with households (20), NGOs, CBO members and leadership, and answers to questionnaires from 15 public officials, in each municipality.

‘Forms/types of community participation in decision-making are not imposed by the CG to LG, that is why the municipalities themselves apply different forms of community involvement in policy decisions’ (Head of the Department of Municipal Development at the Ministry of State Administration-interviewed in June 2007). In terms of clear legislation that recognizes community (CBOs) participation in policy decisions, Law no. 8/2003 of 19 May was approved to regulate the participation and consultation with local communities in the process of decision-making. Programmes and projects of poverty alleviation in Mozambique through community participation are enhanced not only by government, but also

by donors and civil society (NGOs, CBOs, etc.). Article 38, of Law no. 11/97 of 31 May, states one type of community participation in the management of public services, which is through representation at the MA. No. 1 of the same Article, states that communities may have representation in the entities providing local services to participate in decisions concerning plans and programmes of service expansion; revision of the calculations of operational costs; fiscal policy; level of service provision in terms of quantity and quality; mechanisms of service delivery; claims of end users and the relative damages caused. Furthermore, this type of community participation is reserved to a model of direct management of public services. The law also states that, it is up to the MA to determine the form/type and content of community participation applied in the municipality.

One can apply community participation through different forms. The first is through channelling community demands in ward meetings with community representatives who are members of the MA. After deliberations and approval in MA sessions, the MC translates demands into results. Although there are practical limitations in this form of participation, because MA members rarely meet with communities and know little about their demands, this is the legal expression of multi-party and plurality in governance, supported by the Local Government Act (1997), and it is the most common and widely used form of participation in Mozambican municipalities. Community demands can flow through the MC to the MA for deliberation and approval. In Matola, the late Mayor, Carlos Tembe introduced open office governance, where every Thursday he was available to meet any community member at his office. This openness was not limited to the mayor, but the urban district administrators did the same. Although not everyone in the municipality knew about it, the idea was welcome by some community members. Demands can also flow individually using this process or through collective meetings in which there is a schedule (list) of visits by councillors/heads of services to all urban districts. According to a community leader (interviewed in February 2007), in these visits some councillors, the Urban District Administrator of Matola and local leaders (representative of 10 houses and the ward secretaries) meet with communities to discuss their problems. There is a third way to channel demands to the Matola MC, through regular meetings of the representatives of ten households, followed by regular meetings of the ward secretaries (*bairros*) at the urban district

with the District Administrator, who then channels community demands to the MC (interview with a community leader, February 2007). Although these other forms of participation may exist, they rarely take place in Matola, Chimoio, Manhiça or Nacala-Porto, where only two forms of participation channel demands. One channel is through the MA members or to the MC for deliberation and approval by the MA, and the other is through the Mayor of Matola open office governance.

In most of the municipalities studied, community members also used public meetings to voice their demands, but in most cases, these meetings were for civic education to inform the public about upcoming events such as election census, elections and the spread of HIV/AIDS among others. The Municipality of Dondo, as mentioned above, presents a different and perhaps unique form of community participation called participatory budgeting (there were similar pilot participatory budgeting projects in Chimoio and Nacala-Porto, to be replicated throughout both municipalities) where in each of the ten wards in the municipality, there is a development nucleus. These nuclei aggregate community demands and interests and channel them to the MC for their inclusion in the annual local plan. Proposals are presented to the MC Chief of the Cabinet of Studies and Advisory, who then proposes a budget plan. This proposed budget plan goes back to the communities for comment. The Consultative Council (a political consultative body for the mayor composed of local elites) then discusses the plan with recommended rectifications. After the meeting with this council, the plan is then submitted to the MA for approval (Report on Transparency Risk Areas and Opportunities for Corruption in Six Mozambican Municipalities 2007).

In Dondo, the capacity of ward nuclei to make proposals including the location of projects is important for social control. The Ward Secretary and the President of the Development Nucleus defend their proposals in Consultative Council meetings. Budget matters are not included in these discussions but only what they demand be done, for instance, the rehabilitation of a street or the construction of a well. For proof that these are local community demands, minutes/reports have to be presented in meetings with the Consultative Council (Report on Transparency, Risk Areas and Opportunities for Corruption in Six Mozambican Municipalities 2007). To confirm this, the Head of the Programme to Support the Mozambican Districts and Municipalities (PADM) from the

Austrian Cooperation Agency (interviewed in November 2006), indicated that a capacity-building programme for community participation in local planning process was launched in the first phase of PADM. Most community members, especially women are afraid to voice concerns to local leaders. The programme urged community members and women to participate in discussions then select three local project priorities to vote for and then implement the projects that receive the most votes. The PADM programme from the Austrian Cooperation Agency also helped organize ward level community development nuclei. When asked about community participation, even when donors were absent, the head of the PADM stated that:

The municipality has to respect community choices, because if this procedure is not followed, there will be no funding from donors for projects. The municipality has little funds from CG and its local revenue is also insignificant, they wouldn't risk disappointing donors because they would have no funding at all. The PADM project has forced the MC of Dondo to repeat tendering and awarding of contracts due to lack of the necessary transparency in the process (Head of PADM in Dondo, interviewed in November 2006).

In terms of ranking institutional set up in the municipalities studied, although municipal legislation applies to all Mozambican municipalities, evidence shows that Matola tried to follow municipal laws and regulations much better than the other municipalities. Most officials in the four other municipalities did not have full knowledge of municipal laws, due to incomplete distribution of information on the laws, lack of local internalization and prevalence officials with lower academic and professional qualifications. Thus, more training towards mastery of the municipal legislation is needed. Except Matola, the municipalities failed to apply rules and regulations such as recruitment, promotion, training and procurement procedures properly. These rules and regulations were rarely followed and patron-client relationships regarding hiring and promoting the ruling party and family members were more visible in almost all municipalities studied. Concerning community participation in policy decisions, Dondo is by far first and is one of two municipalities in Mozambique that apply participatory budgeting in planning. It has had more success than the other one, Marromeu, also funded by the Austrian Cooperation Agency and the WB. Matola with its open office governance is

the second and then Manhiça, while Nacala-Porto and Chimoio seem roughly equal.

4.5 Influence of Political Parties

4.5.1 General

This section presents data on relationships between central government (CG) and local government (LG) from the same party or from the opposition party, the role of local political parties whether from the ruling party or opposition and CBOs in decision-making. Data in this section was gathered through interviews with CG officials, local leadership, municipal assembly (MA) members, field officials and local community members. Inputs also came from questionnaires filled in by local officials. The study found that there is no political party competition or participation in the municipalities studied, which affects service delivery coverage negatively. Detailed discussion of these data appears below.

Table 4.7
Indicators on influence of politics in decision-making

Indicator	Dondo	Matola	Manhiça	Chimoio	Nacala - Porto
-State of relationship between CG and LG	-Good (same political party)	Same	Same	Same	Confrontational (some reports/documents on local issues not handed out to MC by District officials, who represent the CG)
-Influence of political parties (ruling/opposition party in the MA) and their capacity to deliberate, influence and adopt the right policies in sectors such as:	Effective, but enhanced by community participatory budgeting project	-Only ruling party policy decisions are adopted.	Same	Organized and constructive MA (limited by party ties)	Confrontational MA deliberations. Only most ruling party policy decisions are adopted

<ul style="list-style-type: none"> Land/drinking water/sanitation/ sewerage & drainage/ electricity/mass transport/ emergency services/public security/roads/ primary education/secondary education/primary health care/ low income housing/business facilities/support to (small) enterprises 	-Weak (experiences of participatory planning are not replicated in the Council decision-making process (top-down approach to decision making)	Highly qualified MA members (effective deliberation during sessions, including the opposition) -Weak (top-down approach to decision making)	-Weak (top-down approach to decision making)	-Weak (top-down approach to decision-making)	-Weak (top-down approach to decision-making)
-Extent of field officials participation in decision-making (policy adoption/management and implementation)-meetings/consultation	-Officials only participate at the operational (management and implementation) level	-Officials participation at the operational (management and implementation) level	-Same	-Same	-Same

Source: Documents, interviews with households (20), NGOs, CBOs members and leadership, and answers to questionnaires from 15 public officials, in each municipality.

4.5.2 The relationship between LG and CG

The influence of politics in decision-making plays an important role in local policy choices. The municipalities of Dondo, Matola Manhiça and Chimoio have healthy (constructive) relationships with CG because they are all from the same political party. However, the relationship between the municipality of Nacala-Porto and the central government is unhealthy (deconstructive) and confrontational. As the main national opposition party, Renamo won the 2004 municipal elections in Nacala-Porto, the national ruling party Frelimo became the opposition with a minority of seats in the MA. According to the Municipal Governance Increasing Democratic-Annual Report (2006), the working environment in the MA between these two parties is confrontational rather than constructive, especially the relationship between the Mayor and the MA. The Councilor of Social Services in Nacala-Porto stated that, 'there is interference from CG government on local affairs, so the cohabitation between the Mayor and the District Administrator was unhealthy and confrontational too' (interview in July 2007). Due to these limitations and perhaps, malinterpretation of their competencies and functions, there seems to be a power struggle involving the local Mayor and the District Administrator,

because he lost some of the powers he had before the decentralization process, he now only rules in rural areas. As the District Administrator represents the PG and CG, there are functions such as education and health, not yet fully devolved to municipalities, both CG and municipalities have responsibilities in them. The newspaper *Magazine Independent*, in its April 2008, 52nd edition, illustrates a fight, if not a war about who has the competence to select and license enterprises to exploit limestone (raw material to make construction cement) between the local Mayor and the Minister of Mineral Resources. The MC may have been confused about the law because the Ministry of Mineral Resources selects and licenses mineral resource exploitation but the municipality levies taxes on this industry in this region. The Councillor of Finances of Nacala-Porto further indicated that:

Because the Municipality of Nacala-Porto is ruled by the main national opposition party Renamo, and Frelimo the national ruling party is the opposition, this may be the reason why this controversy was public and well mediated. Similar cases happen in the municipalities where Frelimo, the national ruling party rules, but because both CG and LG are of the same party, there is some reasoning (interview in July 2007).

4.5.3 Party representation in the municipal assemblies

According to Table 4.8, Frelimo national ruling party has a majority in four municipalities: 61.9 per cent in Dondo, 89.1 per cent in Matola, 94.1 per cent in Manhica and 61.5 per cent in Chimoio while the major national opposition party, Renamo, has a majority in the MA of Nacala-Porto, 58.9 per cent. Ipade had 4.7 per cent in Dondo and Osina 2.5 per cent of seats in Nacala-Porto. In Dondo, pressure from donors led to effective policy decisions. In Matola the pressure from the mayor and MA led to the same results. In the other three municipalities, the mayor and MC overpowered the MA and yet were rarely accountable to it.

Table 4.8
Composition of the MA in the 5 municipalities studied

Dondo	21 members: 13 from the ruling party Frelimo, 7 from the major opposition party Renamo and 1 from Ipade
Matola	46 members: 41 from the ruling party Frelimo and 5 from the opposition, Renamo;
Manhiça	17 members: 16 from the ruling party Frelimo and 1 from Renamo;
Nacala	39 members: 23 from Renamo, 15 from Frelimo and 1 from Osina, the opposition
Chimoio	39 members: 24 from the ruling party Frelimo and 14 from Renamo

Source: Planning and budgeting reports of the five municipalities studied

Table 4.9
MA members' ability to deliberate and adopt effective policies

	Dondo	Matola	Manhiça	Chimoio	Nacala-Porto
Only ruling party policies are adopted	5 25%	10 50%	15 75%	13 65%	11 55%
The opposition has capacity to deliberate and influence policies	0 0%	0 0%	0 0%	0 0%	2 10%
CBOs and communities are consulted before making major policy decisions	15 75%	7 35%	5 25%	3 15%	4 20%
Don't know	0 0%	3 15%	0 0%	4 20%	3 15%
Total	20 100%	20 100%	20 100%	20 100%	20 100%

Source: Interviews with 20 household members in each of the five municipalities under study.

4.5.4 MA involvement in decision-making

Table 4.9 shows the number and percentage of respondents on the ability of their MA members to deliberate and adopt effective policies. Only in Dondo did MA members involve their local communities in the process of decision-making, the other municipalities were less effective.

Table 4.10 illustrates the recognition by Dondo communities and subsequent benefits of participatory approaches to policy decisions. This confirms the above argument that pressure from donors and conditions for funding helped communities stay involved in priority project selection. In Dondo, territorial CBOs (the ward nuclei including some local associations) had significant influence in pressing their local community demands to LG and in monitoring project implementation. The four other municipalities lag behind and often involve communities for project selection during the drafting of the electoral manifesto. As mentioned by the Mayor of Chimoio (interviewed in December 2006), the planning process is mainly based on policies defined in the electoral manifesto. After defining priorities through community inputs, brought to assembly sessions by MA members, the MC selects policies (projects) based on availability of funding. It plans and submits them again to the MA for approval, and then implementation takes place. Sometimes the council selects policies (projects) and submits them to the assembly for deliberation. The Mayor stated further that specialized assembly commissions play a relevant role in deliberations. The Mayor of Chimoio, further argued that the community was involved in policy priority selection, prior to the electoral period. According to the Councillor of Administration of Matola (interviewed in February 2007), planning capacity in the municipality has improved remarkably because, apart from the planning officials of the MC, there are specialized commissions in the MA with experience and qualifications in the various areas of local intervention. Thus, municipal council planning officials must have sound plans. On the contrary, the MA can reject plans during their sessions particularly due to the work of specialized commissions. The Councillor of Administration of Matola indicated that the current MA is well organized and able to analyse and deliberate, it is a constructive assembly. He gave an example of the Municipal Assembly Commission of Territorial Administration, which has a lot of experience and is composed of highly qualified people who worked for the CG. That is why when deliberating in assembly sessions major attention goes to these specialized commissions. MA decisions are transparent and effective because assembly sessions are open to the public and the opposition is constructive (Councillor of Administration of Matola, interviewed in February 2007).

Regarding the extent of field officials' participation in decision-making in Dondo, as community members, their inputs are welcome in

project priority selection, but the internal MC decision-making process does not replicate the experiences of participatory budgeting. The process is top-down and officials participate at the operational level (policy management and implementation, 11 out of 15 questionnaires support this statement). This is common in all four remaining municipalities, the decision-making process within the municipal council (MC) is top-down and field officials only participate at management and implementation levels (45 out of 60 questionnaires in the remaining four municipalities also support this statement).

In terms of community involvement in decision-making, again Don-do leads (see table 4.9), followed by Matola and Manhiça. Chimoio and Nacala-Porto had little local community involvement in policy decisions. According to most NGO and CBO members interviewed during field-work, these organizations (NGOs) have their own assignments; some do not trust LG and so, deliver services on their own. Most NGOs work at the national level and are based in the major Mozambican cities. Their relationship with LG is not readily apparent, but most of the time, as they work at national level, they relate to CG and to some local CBOs. They rarely have direct participation in policy decisions, and as they have their own money, staff and other resources, once they get permission to work, they deliver services directly and independently. This led to lack of coordination of resources and projects are scattered and wasted, particularly where there are many NGOs, each working in isolation. Political party competition is weak in all Mozambican municipalities. Political power seems polarized between the national ruling political party 'Frelimo' and the main opposition party 'Renamo' until recently. Due to party leadership and management failure, this opposition party lost its power. Practically speaking, its members are joining a new formed party, MDM (Mozambican Democratic Movement). Therefore, there is no political party competition and participation in all five municipalities studied. The patrimonial system in the country is stifling political party competition and participation, which affects LG responsiveness to local community demands negatively. Lack of pressure on the party in power from other competing parties, means that policy proposals are adopted in the MA and implemented by the MC, regardless of inputs from locals.

4.6 LG Capacity to Plan and Make Decisions

4.6.1 General

This section presents data regarding LG capacity to plan and make decisions. Data was gathered mainly through LG documents and questionnaires filled in by local public officials. Interviews with leadership, NGOs, CBOs and local community members took place to ensure robust data on the same content. Regarding LG capacity to plan and make decisions, the study takes into consideration the extent to which LG uses participatory approaches to governance by involving local communities (CBOs) in its planning process. Table 4.10 provides indicators on LG capacity to plan and make decisions while detailed discussion follows.

Table 4.10
Indicators on capacity to make decisions and plan

Indicator	Municipalities (Dondo, Matola, Manhiça, Nacala-Porto and Chimoio)
-Degree of autonomy of LG from CG to decide on major local policy issues.	-Autonomy concerning LG competencies, responsibilities and functions, limited financial autonomy
-Internal body and effectiveness of mechanisms through which the planning and budgeting officials account. -Usually Councillors present plans and budgets of activities to be carried out, already assembled by the planning unit, to the MA for deliberations and approval, then the financial department provides funds and project implementation takes place.	-Account to the Head of department and Councillor, the latter to the Mayor and MA (not very effective with the latter in Dondo, Manhiça, Chimoio and Nacala-Porto) -Experienced and highly qualified MA members, tendency to hold MC accountable, but party bonds weaken these intensions (Matola) -LG inspection section (not effective) (Chimoio)
-Degree of deliberation/negotiation in LG plans	-Projects with the most votes are proposed for implementation (Dondo) -Ruling party policies are selected most (MA majorities in Matola, Manhiça, Chimoio and opposition in Nacala-Porto) -MA well organized and constructive, although, to some extent influenced by party bonds (Matola)
-Explicit procedures of planning and budgeting coordination -Planning and budgeting stages of coordination	-Voted on priority projects sent to the MC for selection according to the availability of funding. Communities informed about selected projects and budgets. MA deliberates and approves (PB in Dondo) -From the electoral Manifesto, priority projects are selected by the various sector departments, then planned and sent to the budgeting section. Each department reports plans to the MA and the latter deliberates and approves.

-Plans fulfil rules, procedures and methodologies of participatory approaches	-Yes due to community involvement in participatory budgeting (in case of lack of community involvement no funding from donors)(Dondo) -No, for plans based on the electoral manifesto. Communities are rarely involved in priority policy decisions and planning after elections (Matola, Manhiça, Chimoio and Nacala-Porto) -Pilot participatory budgeting projects in Zaragato and Muanona wards in Chimoio and Nacala-Porto respectively fulfilled rules, procedures and methodologies (participatory approaches)
-Time and clarity of planning decisions	-Reasonable clarity due to donor pressure -Reasonable clarity in planning and budgeting proposals due to pressure from the Ministry of Finance -No clear application of procurement procedures with regards to LG funds (in all 5 municipalities)
-Extent of time and access to information by the communities (CBOs) to participate in planning	-Relatively short and covers almost all community members (Dondo) -Meetings in the wards with MA members to gather peoples' needs and wants rarely take place (Matola, Manhiça, Chimoio and Nacala-Porto)
-List of plans replicated in future	-Participatory budgeting projects, plan of community involvement in cleaning the city, cutting tree branches (Dondo and Nacala-Porto) -Plan of water management through community forums (less costly/more efficient) (Matola, Manhiça)
-Available spaces for community participation	-Participatory budgeting meetings (effective in Dondo) -Meetings of MA members and communities (rare, reproduce voices of dominant groups and the well-off/ discriminate against the poor and are ineffective/used for campaigning) (Matola-Manhiça, Chimoio and Nacala-Porto) -Public meetings-rare and used for campaigning and inform locals about coming events such as elections, local celebrations, HIV/AIDS (rare and not effective at all, take place in all 5 municipalities) -Open mayor office-innovative/not well disclosed, therefore not very inclusive (Matola)

Source: Documents, interviews to households (20), NGOs, CBO members and leadership, and answers to questionnaires from 15 public officials, in each municipality.

4.6.2 Autonomy of LG

According to Article 3, of Law no. 7/97 of 31 of May (autonomy and oversight), the municipalities are autonomous in implementing their functions and responsibilities without prejudice to the power and oversight of the State of Mozambique. State administrative oversight can only limit the autonomy of municipalities based on established laws. Article 4 of the same law, goes further saying that the State administrative oversight aims to verify the legality of local government administrative ac-

tions through inspections, inquiries and ratifications. State administrative oversight bodies can solicit information and clarification on administrative decisions taken by municipalities. The autonomy principle also includes the right to participate in the definition of national public policies that are of interest of the respective communities, the right to share with the State decisions about issues of common interest and the right to, if possible, regulate and apply norms or national plans making them adequate to the local reality. Within the principle of local autonomy, the local government has administrative, financial and patrimonial autonomy in accordance with Article 7 of Law no. 2/97, of 31 May. Local autonomy in a unitary state must reconcile itself to inverse demands resulting from the indivisibility of the territory of the Republic of Mozambique (No. 1 of Article 3 of the Constitution of the Republic of Mozambique). Furthermore, 'The territory of the Republic of Mozambique is one, indivisible and cannot be alienated, including all land, sea and sky within national borders.' This statement means that there is a constitutional limitation, explained by two elements: 1) there are competencies and responsibilities that the administrative laws cannot give to municipalities, the Constitution reserves them to the Legislative Power, the Republic President, the Council of Ministers or the Judicial Power; 2) the competencies and responsibilities of LG must have a subordinated characteristic, and this is particularly in the power to regulate. The Constitution of the Republic of Mozambique establishes that the LG has its own power to regulate within the limits of the Constitution, and the laws and regulations from the bodies of oversight. The three areas in which LG has autonomy are as follows:

a) Administrative Autonomy

No. 2 of Article 7 of Law no. 2/97, of 18 February, defines the administrative autonomy to be exercised by LG as follows: 1) Implement and execute actions in its territory; 2) Create, organize and inspect services resulting from its competencies and responsibilities.

b) Financial Autonomy

One of the important challenges of decentralization is to give LG the resources that will allow them to play a role in local development, giving them capacity to deliver services for which they are responsible. Municipalities should not only have competencies and power to decide, but also

their own financial means. Decentralization can only be efficient if the municipalities are financially autonomous even if they have considerable juridical competencies (Cistac 2001). According to Lalumière in Cistac (2001), to be effective, the decentralization process has to recognize financial autonomy for LG. Juridical competences are pure fiction, if they do not receive financial means to perform related functions and responsibilities

c) Property (assets) Autonomy

No. 1 of Article 193 of the Constitution of the Republic of Mozambique, states that municipalities have their own infrastructure. Numbers 3 and 4 of Article 7, of the Law no. 2/97, of 18 February, establishes that financial autonomy includes the powers of management of local infrastructure, which means infrastructure to implement their functions and responsibilities. As such, property autonomy is the power of having, or making decisions related to public infrastructure within the law. Property autonomy consists of municipalities having their own (goods, mobiles, buildings, rights and actions, which belong or come to belong to them), to implement the competencies and functions given to them to manage their own infrastructure.

Based on interviews, clearly the leaders of all five municipalities are aware that there is autonomy within their powers, competencies and functions. In Matola, the late Mayor Carlos Tembe and the Secretary of the MA (interviewed in April 2007) stated that there is autonomy in decision-making concerning the powers, competencies and functions devolved to the municipality, and within that, the municipality could decide on its own policy priorities. In practice, this means that although municipalities have the power to decide on local policies, these powers have limitations due to ceilings on financial decisions, as CG grants are assigned to some defined areas. For instance, the compensation grant is for staff salaries, the local initiative investment grant is for local projects and the fund for roads is only for construction and maintenance of local roads. Municipalities enjoy greater autonomy on local collected revenue, which also pays for politicians and administrative expenses. Even though some municipalities like Matola are more flexible in the application of some of these funds than others are.

In Dondo, the Mayor, the Secretary of the MA (interviewed in December 2006 and May 2007 respectively) and the Councillor of Finances

(interviewed in May 2007), agreed that there is autonomy in local policy decisions. To substantiate this, the Mayor of Dondo said that there is autonomy for the municipality to make policy decisions according to its citizen's priorities. 'When we decided to introduce participatory budgeting in this municipality, we did not ask the CG for permission, it was us and the donors who agreed and started the project. With this project, community members decide on their priority demands, and we implement them. This is how participatory budgeting contributed to the development of Dondo' (interview in May 2007). In Chimoio, the Mayor, the Councillor of Administration and Finance and, the President of the MA also argued that concerning the powers, responsibilities and functions conceded by CG to LG, there is sufficient autonomy in decision-making. The major decisions made concern the electoral manifesto presented to the communities during the electoral period. In Manhiça, the Mayor, the Secretary of the Municipal Assembly and the Chief of the Department of Finances (interviewed in April 2007), reported unanimously that the municipality had autonomy in decisions related to its powers, competencies and functions. However the Councillor of Finances of Manhiça and the Councillor of Administration and Finances of Chimoio, argued that there was still limited autonomy on decisions on finances, which was corroborated by the Councillor of Social Services, the Secretary of the MA and the Councillor of Finances of Nacala-Porto (interviewed in July 2007). Concerning community involvement in policy decisions, the researcher asked who sets local policies and how satisfied were local communities with their municipalities in terms of consulting people and ensuring equal opportunity in decision-making to them. The results are shown in table 4.11.

Table 4.11
Who sets local policy decisions?

	Dondo	Matola	Manhiça	Chimoio	Nacala- Porto
LG alone	3 15%	12 60%	11 55.5%	12 60%	12 60%
LG policies are in- fluenced by donor/ NGO interests	2 10%	0 0%	0 0%	0 0%	2 10%
LG and communi- ties/CBOs	14 10%	5 25%	7 35%	6 30%	6 30%
Don't know	1 5%	3 15%	2 10%	2 10%	2 10%
Total	20 100%	20 100%	20 100%	20 100%	20 100%

Source: Interviews with 20 household members in each of the five municipalities studied.

Note: The answers are from households and this is aimed at understanding if they and CBOs are involved in local decision-making.

To confirm that Dondo involves its communities in policy decisions, 70 per cent of respondents agreed that participatory approaches to decision-making are applied in this municipality. Donors, public officials and the communities themselves agree that participatory budgeting has improved local living conditions. The high level of community satisfaction indicates improvements in basic service delivery. The other municipalities are performing badly in setting local policies. Matola, Chimoio, Manhiça and Nacala-Porto seem to make most of their decisions based on the electoral manifesto elaborated before the elections, which in most cases is an end in itself as it lacks further input from locals after elections. Over time leadership should consider adjusting or updating priorities to the present reality.

Table 4.12 shows greater satisfaction among men with equal opportunity in decision-making than women have. In Dondo, both men and women are satisfied, but in Nacala-Porto women are the least satisfied compared to men among the five municipalities studied. Matola and Manhiça present the highest percentage of dissatisfaction of both men and women.

Table 4.12
*Local community satisfaction with equal opportunity to decide
on priority project selection*

	Dondo		Matola		Manhiça		Chimoio		Nacala-Porto	
	M	F	M	F	M	F	M	F	M	F
Very satisfied	2 100%	0	0	0	0	0	0	0	0	0
Satisfied	3 42.8%	4 57.2%	2 66.6%	1 33.4%	3 75%	1 25%	3 69%	2 40%	5 83.3%	1 16.7%
Dissatisfied	5 45.4%	6 54.6%	7 42.5%	9 57.5%	7 42.5%	9 57.5%	6 54.5%	5 45.5%	4 3.3%	8 66.7%
Very dissatisfied	0	0	1 100%	0	0	0	1 25%	3 75%	1 50%	1 50%
Total	10 50%	10 50%	10 50%	10 50%	10 50%	10 50%	10 50%	10 50%	10 50%	10 50%

Source: Interviews with 20 household members in each of the five municipalities studied.

4.6.3 Planning and budgeting

Regarding internal bodies and effectiveness of mechanisms through which the planning and budgeting officials account, in all the municipalities studied these officials account to their Heads of Department and Councillors, the latter to the Mayor and to the MA. Both internal and external mechanisms through which politicians/managers and officials account do not seem to be effective. In Dondo, donor auditing of accounts is efficient and opportunities for corruption practically do not exist, but regarding LG's own revenue, there is no transparency in expenditure and the MA and the CG auditing systems do little to hold the Council accountable. Although the MA of Chimoio and Matola show some improvements in holding the MC accountable, party politics and the interests of their members are put forward in detriment to local community needs. In the MC of Chimoio, internally there is an Inspection Section, which is ineffective as it mainly alerts departments to be ready for external auditing.

Table 4.13
Specific planning (budgeting) activities of communities (CBOs) Table uses a scale from 5 to 1, 5-most effective, 4-more effective, 3-neutral, 2-less effective and 1-least effective.

Specific planning activities	Dondo	Matola	Manhiça	Nacala-Porto	Chimoio
Setting policy priorities	5-most effective	4-more effective	3-neutral	2-less effective	1-least effective
Community micro-plans	4-more effective	1-least effective	1-least effective	1-least effective	1-least effective
Making local budgetary decisions	3-neutral	1-least effective	1-least effective	1-least effective	1-least effective

Source: Documents, interviews with leadership, donors, CG officials, household members and answers to questionnaires from LG officials.

Concerning local CBOs and the degree of involvement in planning, Dondo is the best in setting policy priorities involving communities and in using community micro-plans. Matola is in second place involving local communities in setting local priority needs, but it fails in using community micro-plans and involving the community in local budgetary decisions. The other three municipalities are less and least effective in involving locals in setting priorities, making budgetary decisions, and using community micro-plans. In terms of degree of deliberation and negotiation in LG plans, in Dondo community members voted on priority projects, and the projects with the most votes were proposed for implementation. In Matola, Manhiça and Chimoio only ruling party policies were adopted because it had the majority seats in the MA. In all five municipalities studied, regarding CG funding and based on the electoral manifesto, MC departments sent activity plans, the Department of Finance proposed a budget for each activity, and then departments presented activity plans for deliberation at the MA. The MA could initiate some projects with input from locals. After approval, proposals for next year's activities, budgets and expenditures go to the Ministry of Finance for funding. Due to insufficient budget, some plans were partially covered or never implemented in the municipalities studied, for instance: the technical capacity-building to community leadership for participatory

budgeting in Dondo (2006-2007); the plan to create civic education processes via radio and other media (2007); and the plan to pave all Dondo city centre streets (only partially implemented). In Matola, lack of funds halted the plan to construct three wells in Intaca, Mali and Nwamatibjane Wards (2006) and the plan to construct wells and small systems of water supply in Tsalala, Matola-Gare and Muhalaze Wards (2006-2007). The Programme to combat HIV/AIDS was only partially implemented (Report of the Mayor on the Implementation of the Plan of Activities Between the XVI and XVII MA sessions 2007). In Manhiça lack of funds meant that the plan to rehabilitate sidewalks and streets (2004-2006) and the territorial resettlement plan of the Wards Mulembja, Tsa-tse and Cambeve (2006) was never implemented (Manhiça Planning and Budgeting Proposal 2007). In Chimoio the plan to rehabilitate streets, small bridges and sidewalks in the city (2005-2008) and the plans for garbage collection in the city and markets (2005-2008) were partially implemented. The plan to create 32 community-policing forums was partially implemented due to lack of funds and incentives for policing community members, which is why criminality is rising dramatically and people are taking justice into their own hands. Supposed criminals have been burned alive. In Nacala-Porto, a 2007 plan to construct garbage containers and place them in each city ward was partially implemented due to lack of funds. The plan to train municipal officials outside the municipality (2007) and the plan to enlarge some offices in the Department of Municipal Inspection (2007) was also not implemented due to lack of funds. Capacity-building in tax collection and planning was not implemented because officials were yet to be contacted. The plan to support community associations to obtain tools and raw materials for their work in 2007, the plan to open new streets in the expansion zone of Ontupaia and Mathapue and the plan to create a Municipal Civil Society Forum were not implemented due to lack of funds (Nacala-Porto planning and budgeting proposal 2007). Concerning whether plans fulfil rules, procedures and methodologies of participatory approaches, see table 4.14. There are some, but not so many, selected plans translated into results at low costs. In Dondo the plan for community participation in garbage collection and city cleaning, which resulted in insignificant labour costs was successful. In Matola the plan for water management in Nwamatibjane Ward through a water committee based on community members, the labour costs were insignificant and there was more com-

munity ownership. In Manhiça, the plan for community mobilization to clean their wards and cut back tree branches also resulted in low labour costs. In Chimoio, the plan for community participation in opening garbage disposal areas, city and cemetery clean up; tree trimming and water management (wells) through community forums were also effective due to low costs and community ownership. In Nacala-Porto, the plan for community mobilization to clean their wards and construct public toilets in 2006 resulted in low labour costs. Most of these plans were replicated later. Regarding time and clarity of planning decisions, in Dondo there was reasonable clarity due to pressure from donors and the Ministry of Finance. For LG funds there were some weaknesses due to ineffective procurement and use of funds. In Matola, Manhiça, Chimoio and Nacala-Porto there was also reasonable clarity due to pressure from the Ministry of Finance, although there were some delays in sending planning and budgeting proposals to this Ministry. Weaknesses were also found in the procurement section. In the social area, the social class or status of groups targeted by programmes are: in Dondo, 96 health certificates were issued for the poor, free enrolment was given to 12 children at local primary schools and 150 certificates of social security were also issued for the poor. In Matola, 75 poor children had free registration in Matola A, B and F; free enrolment was also provided to four children at Matola 'C' Primary School; 15 medical certificates were issued to the elderly for free treatment in public hospitals; food was distributed to the elderly in the wards and support to the victims of Paiol (armament storage) explosion was also provided by LG and community members. In Manhiça, 50 certificates of social security and 150 health certificates were issued to the poor. In Chimoio a project to support orphan children was launched by the Nucleus of HIV and Aids combat; 40 cows and ploughs were given to 20 associations for poor farmers; 192 goats were distributed to 64 families with the support of Save the Children, Terre des Hommes, World Food Programme NGOs, FAO and the MC Department of Social Services. In Nacala-Porto, 476 health certificates and 54 certificates of social security were also issued to the poor. Concerning the extent of time and access to information by communities (CBOs), to participate in planning (see table 4. 14). In conclusion, it can be stated that in terms of LG capacity to plan and make decisions using rules, procedures and methodologies of participatory approaches to governance, the Municipality of Dondo is by far best due to its participatory budget-

ing process. As mentioned above, this process was successful in improving local communities' living conditions. In second place is the Municipality of Matola with its 'open office governance', where locals could meet the local mayor and press their demands every Thursday. After Matola comes Manhica. Even with two pilot projects on participatory budgeting in Zaragto and Muanona wards in Chimoio and Nacala-Porto respectively, both municipalities failed in involving locals in planning. Seemingly, both pilot projects died when the PROGOV-USAID project was terminated.

4.7 Administrative Capacity of LG

4.7.1 General

Table 4.14 presents indicators on LG capacity to manage administrative aspects such as material and human resources and its capacity to translate LG decisions into concrete actions. These data were collected mainly through questionnaires filled in by local public officials, LG reports and interviews to CG officials, local leadership and community members. Although this capacity has been improved to some extent, much work remains to provide officials with the necessary expertise to deliver better quality services. Further detailed information appears in subsequent sections of this chapter.

Table 4.14
Indicators of LG capacity to manage administrative aspects such as material, human resources and capacity to translate LG decisions into proactive actions

Indicator	Municipalities (Dondo, Matola, Manhica, Chimoio and Nacala-Porto)
-Legal framework with clear functions/responsibilities for politicians and managers -Guidelines/regulations on new working procedures for management and field officials	-Local Government Act (1997) - <i>Manual de Direito das Autarquias Locais</i> (2001) - <i>Código de Posturas Municipais</i> (1997) -Municipal job profiles
-Extent of managers' effectiveness in their administrative duties and tactical requirements (responses from subordinates)	-The administrative personnel including its managers has improved service delivery (capacity-building still needed) (Dondo) -Attempt to hire more qualified administrative personnel including Councillors (Matola)

	<ul style="list-style-type: none"> -Inefficiency at councillor and management levels, Councillors do political and administrative work (Manhiça) -Councillors and managers lack skills and working equipment (Chimoio and Nacala-Porto) Councillors share offices (Chimoio)
-Framework for recruitment, promotion criteria, layoffs and transfers	<ul style="list-style-type: none"> -New Labour Law (revised 2009) -General Statute of Public Sector Officials (2001) (both for the whole state apparatus; see report) (applies to all municipalities)
<ul style="list-style-type: none"> -List of incentives to attract/recruit/retain personnel including management: Remuneration Promotion Training and development Physical work conditions Achievement/recognition Responsibility Fringe benefits 	<ul style="list-style-type: none"> -Unclear system of incentives. Partisan politics (clientelism)-Low salaries (all 5 municipalities) -An attempt to hire as many qualified officials as possible-Some improvements in working conditions in some departments (Matola) -One councillor son of President of the MA(Chimoio) -Tax collectors push bicycles for about 3 km in a growing area) (Nacala-Porto)
<ul style="list-style-type: none"> -Rules and regulations on incentives (rewards for good performance) and penalties (punishment for bad performance) -Up-to-date information and communication systems and equipment (computers/ fax machines/photocopiers, etc.) 	<ul style="list-style-type: none"> -New Labour Law (revised 2009) -General Statute of Public Sector Officials (2001) (see report below) -Lack of information and communication systems (provision for mayor councillors, Heads of departments and for key areas-planning, budgeting and administration) (Applies to all municipalities) -Very noticeable lack of infrastructure, information and communication systems and equipment (Manhiça and Chimoio)
-List of social programmes implemented with minimal cost effort	<ul style="list-style-type: none"> -Free enrolment of 12 children at local primary schools-Provision of 96 health certificates and 300 certificates of social security to the poor (Dondo) -Free enrolment of 4 children at Matola Primary School 'C'-Registration of 75 poor-born children in Matola A, B and F. -15 medical certificates issued to the poor -Support for the victims of Paiol (armament storage) explosion (community participation in donations)-Programme to support the elderly by improving their manual artistic skills (Matola) -50 certificates of social security and 150 health certificates issued to the poor (Manhiça) -40 cows given to 20 associations of poor farmers-192 goats distributed to 64 families (devolution of goats born for other families to benefit from) (supported by Save the Children, Terre des Hommes, World Food Programme NGO, FAO and the MC Department of Social Services and implemented through partnerships (Chimoio) -HIV/AIDS drugs, youth prostitution combat through collective actions, with support from APHATANI and Nevenee Youth Associations (Nacala-Porto)

-Balanced remuneration systems	-Very low salaries (huge gap between municipalities of category A and B and towns (category D), mainly due to lower staff qualifications (see report below) -Extremely low salaries (in all 5 municipalities)
-More conditions of equality devolved in treatment of employees	-Clientelism (politics first-meritocracy afterwards) (in all municipalities)
-Degree of continuity and stability of LG management systems	-Progressive improvements through capacity-building initiatives (Dondo and Matola) -More capacity-building initiatives needed (lack of management skills) (Manhiça, Chimoio and Nacala-Porto)

Source: Documents, interviews with households (20), NGOs, CBOs members and leadership, and questionnaires filled in by 15 public officials in each municipality.

4.7.2 Legal framework, functions and responsibilities

The legislation documents listed in table 4.14 apply to all Mozambican municipalities. In terms of the effectiveness of managers in their administrative duties and tactical requirements to implement policies, most officials questioned in Dondo (11 out of 15 questionnaires), and the Report on Transparency, Risk Areas and Opportunities for Corruption in six Mozambican Municipalities (2007) indicate that administrative personnel including managers have improved service delivery through capacity-building initiatives delivered by the Ministry of State Administration and donors. In Matola, attempts to hire people who are more qualified and improve the skills of existing personnel, has improved service delivery; most senior managers have higher qualifications (interview with the Head of the Administration Department in February 2007). In Manhiça, some inefficiency at councillor and management levels appeared. According to the Head of the Spanish Cooperation Agency (interview in April 2007), councillors do both political and administrative work, this is why they are overloaded and unable to clear processes (petitions) on time. According to questionnaires (66% out of 15 questionnaires) returned from Chimoio, councillors and managers lacked skills, offices, working equipment and materials. There is also evidence that councillors took turns sharing offices. Capacity-building initiatives have been delivered to some managers and officials, but the lack of the resources mentioned above, negatively influence their work. In Nacala-Porto, most questionnaires (75% out of 15 questionnaires) indicated that

councillors and managers lacked skills, work equipment and materials too. Capacity-building initiatives have been delivered to some managers and officials, but did not cover all areas of service delivery, and lack of the resources mentioned above negatively influenced their work.

The framework for recruitment, promotion criteria, layoffs and transfers for LG is specified in the New Labour Law (revised 2009) and the General Statute of Public Sector Officials (2001), both apply throughout the country. This framework includes the rights of public sector officials, regulations and procedures to contract personnel, rules and regulations for training and promoting personnel, rules on incentives for public officials and regulations on punishment and dismissal of public sector officials. According to the Head of the Department of Administration of Matola (interviewed in February 2007), the Councillor of Administration and Finance of Chimoio (interviewed in December 2006) and an Administration official of the MC of Manhiça (interviewed in April 2007), there are practically no new regulations, procedures or incentives to contract, retain, dismiss and promote management, key personnel and staff. They all argue that, because decentralization to the local level is a new process in Mozambique, most rules and regulations to contract, retain, dismiss and promote staff apply to the entire State apparatus. The New Labour Law (revised 2009) and the General Statute of Public Sector Officials (2001) contain the major rules and regulations on recruitment, retention and promotion of officials. Very few new LG laws have been issued, only the New Law on the Statute of Titleholders of Municipal Bodies, and the revision of the Law 11/97 on LG finances for the remuneration of MA members on their daily work.

The number of staff members and their job profiles do not meet the organizational demands of the five municipalities studied. As seen in the table 4.15, in Manhiça, the lowest ratio between an official and a unit of population is one (full-time) person serving 514 inhabitants and one (part-time) person serving 600 inhabitants. The highest ratio for full-time officials is in Chimoio where one official serves 2,457 inhabitants and Matola where one part-time official serves 3,000 inhabitants. Although Dondo is the best performing municipality, this is not because it had the most civil servants per inhabitant (682/1 full-time and 689/1 contracted staff members). Manhiça has the lowest ratio of people per staff member (see beginning of paragraph), but was not as effective as Dondo in service delivery. Chimoio, which was the worst in performance, had the

least staff members, both full-time and contracted. Lack of personnel to carry out municipal functions may have influenced performance in Chimoio. In Chimoio, Manhiça and Nacala-Porto, there was lack of qualified staff and up-to-date work materials and equipment in almost all departments including the Departments of Finance (Planning and Budgeting, Cadastre and Management of Municipal Land). In Matola and Dondo there was a relative lack of qualified staff, up-to-date work materials and equipment.

Table 4.15
Ratio of people per staff member

	Dondo	Matola	Manhiça	Nacala	Chimoio
No. of inhabitants	61,385	375,000	18,000	198,000	172,000
Number of people per staff member				1	
Full-time	682/1	796/1	514/1	556/1	2457/1
contracted	689/1	3000/1	600/1	1294/1	1146/1
Number of people per staff member					
Full-time	682/1	796/1	514/1	556/1	2457/1
contracted	689/1	3000/1	600/1	1294/1	1146/1
No. of officials:					
Full-time	90	471	30	356	70
contracted	89	125	35	153	150
Total	179	596	65	509	220

Source: Folha informativa dos municípios II (2002) and planning and budgeting reports of each of the five municipalities studied.

4.7.3 Internal limitations of LG

Evidence from the field shows a lack of up-to-date information, communication systems and equipment such as computers, fax machines and photocopiers in all municipalities studied. There are enough for the mayor, councillors, department heads and key areas such as the planning and budgeting, and administration sections. In LG, there is no balanced remuneration system resulting in low salaries and a significant gap be-

tween the salaries of highly and low qualified staff members in the entire State apparatus. In Manhiça, Dondo, Chimoio and Nacala-Porto, which do not have many highly qualified staff, salaries are extremely low (Reports on Proposals of Planning and Budget of Dondo, Matola, Manhiça, Chimoio and Nacala-Porto 2006/2007). In terms of equality in treatment to employees, most of the questionnaires show that clientelism plays a major role, party bonds come first then meritocracy afterwards. Concerning LG information about internal procedures, 53 per cent of the questionnaires indicate that it was of moderate quality in Dondo, especially information related to donor projects. Open planning procedures have improved due to participatory budgeting and there was some coordination between other departments and the Planning and Budget sections of the Department of Finance (Report on Transparency and Risk Areas and Opportunities for Corruption in 6 Mozambican Municipalities 2007). In Matola, 60 per cent of 15 officials indicated relative improvement in the quality of information on internal procedures. In Manhiça, Chimoio and Nacala-Porto the quality of information on internal procedures was low, despite some relative improvements. According to the Finance Councillors of all five municipalities, coordination between other departments and the Department of Finance has improved. However, fieldwork and the Report on Transparency and Risk Areas and Opportunities for Corruption in six Mozambican Municipalities (2007) show that all five municipalities studied still must improve procurement procedures, because there was no clarity and openness in this area. All five municipalities had serious problems with their information and communication systems. Departments were ill-equipped and some offices were overcrowded. The systems for contracting and acquiring goods and services were not clear. The tendering and contracting procedures were questionable and in Dondo, donors have asked the LG to repeat tendering and contracting procedures due to inefficiencies detected (Report on Transparency, Risk Areas and Opportunities for Corruption in six Mozambican Municipalities 2007). In Nacala-Porto, the procedures for tendering and contracting for acquisition of goods and services were also ineffective. According to the Councillor of Administration and Finances (interview in July 2007), procurement in Nacala-Porto was ineffective because the Commission of Tendering Construction, Acquisition of Construction Materials and Hiring Equipment disintegrated because their functions were decentralized to other sectors. The Report on

Transparency, Risk Areas and Opportunities for Corruption in 6 Municipalities (2007) indicates that the Department of Administration and Finance, in most cases, did the tendering and contracting without following open procedures, for instance, in 2005 this department installed a system for online/inline document management without transparency. The report further states that for donors' projects, procurement procedures have been effective. The questionnaires from Nacala-Porto show that 60 per cent of respondents feel LG management systems are improving, although slowly and this is because of capacity-building initiatives.

Table 4.16
Degree of availability of information about LG internal procedures

	Dondo	Matola	Manhiça	Nacala	Chimoio
Quality of information	-Good for donor projects -Low quality	-Good for donor projects -Moderate quality	-Good for donor projects -Low quality	-Good for donor projects -Low quality	-Good for donor projects -Low quality
Information systems	-Ill-equipped offices	-Relatively well-equipped offices	-Ill-equipped offices	-Ill-equipped offices	-Ill-equipped offices
Systems for contracting and acquiring goods and services	-Clear with donor projects -Unclear with LG projects	-Relatively clear	-Unclear	-Unclear	-Unclear
LG mechanisms of accountability to communities/LG internal mechanisms	-Relatively effective for communities with donor projects -Weak to MA	-Weak accountability to communities -Relatively regular accountability to MA	-Weak accountability to communities and MA	-Weak accountability to communities and MA	-Weak accountability to communities -Relatively regular, but ineffective accountability to MA

Source: Answers to questionnaires from 15 officials and interviews with leadership in each of the municipalities studied.

Regarding the quality of information provided on internal procedures, outdated and less efficient mechanisms remained in use in almost all municipalities studied. In Dondo, the quality of information on donor

projects was good and timely, while for LG projects there were delays, omissions and lack of the necessary clarity. This was also evident in Manhica, Nacala-Porto and Chimoio as was information limitation based on the rank of the official, the lower the rank the less information they received. Matola seemed to have relatively better information about internal procedures provided to staff, primarily because of its relatively higher qualified staff and better-equipped offices. With the exception of Dondo, because it used participatory budgeting, the four other municipalities applied top-down approaches to decision-making and technical personnel were more involved in the planning process with very little input from communities. All five municipalities followed rules and regulations already set to channel information, but Dondo and Matola presented some innovative mechanisms of openness and inclusiveness.

Concerning LG mechanisms of accountability to communities and internally, in Dondo there was effective accountability to communities with donor projects (Head of the Austrian Cooperation Agency, interview in December 2006), but there was weak accountability from the MC to the MA. There was also no clear and regular information concerning government funds (Report on Transparency, Risk Areas and Opportunities for Corruption in 6 Mozambican Municipalities 2007). In Matola there was relatively good accountability to the MA by MC departments, but accountability to communities was ineffective. In Manhica and Nacala-Porto there were also weak accountability procedures to the MA from the MC departments, while in Chimoio there was a relative regular accountability to the MA by the MC departments due to pressure from the former, but accountability to communities was ineffective (Report on Transparency, Risk Areas and Opportunity for corruption in six Mozambican Municipalities 2006).

One can argue that in terms of human resources, Matola has better and more highly qualified staff and relatively sufficient equipment and offices for them. Next is Dondo where the administrative personnel including managers have improved service delivery due to capacity-building initiatives delivered by the Ministry of State Administration and donors. The other municipalities face a serious shortage in offices, equipment and qualified officials. The worst situation is in Chimoio where various councillors take turns using ill-equipped offices. The municipalities of Matola and Nacala-Porto have more personnel than Chimoio, Dondo and Manhica do. In these municipalities, the main problem

is not shortage of staff, but a noticeable shortage of qualified staff, equipment and work materials. Nonetheless, capacity-building initiatives have played a major role in improving the planning and budgeting sections in all five municipalities, as they can now write reports on expenditures, plan of activities and budgets. However, more capacity-building initiatives in all five municipalities are needed, particularly to strengthen their tax base capacity. In terms of LG capacity to manage administrative affairs, Matola scores more points than Dondo does, which is second, and more points than the remaining municipalities. It has a moderate quality of information, relatively well-equipped offices, relatively clear systems of contracting and acquiring goods and services, and regular accountability to its MA, all of which are lacking in almost all remaining four municipalities.

4.8 Financial Management Capacity

4.8.1 General

This section discusses indicators of LG financial management capacity. Such capacity is still weak in all five municipalities researched and in all Mozambican municipalities. Municipalities still rely on CG transfers for their expenditure needs. They all need both CG transfers and donor funds to survive. Data on LG financial management capacity were collected through CG and LG reports on budgets and expenditure, interviews with officials at the MF, the Permanent Secretary of the Association of Mozambican Municipalities (ANAMM), local leadership, councillors, directors and officials of the department of finance and MA members. Table 4.17 presents data on LG financial management capacity and detailed discussion of the same content follows it.

Table 4.17
Indicators of financial management capacity

Indicator	Municipalities of Dondo, Matola, Manhiça, Chimoio and Nacala-Porto
-Proper legislation with rules and procedures to regulate the transfer of tasks and revenue or taxing powers to LG	Article 12 of Law 11/97 of 31 May (there are still delays on the transfer of revenue for new assignments)
-Degree of LG autonomy to control and adjust local taxes and user charges.	-Limited power to create taxes, to fix what is collectable, to fix amounts of revenue. -Autonomous juridical power to collect revenue (all municipalities)
-Effectiveness of the budget cooperation fora, yearly negotiations between CG and LG.	-ANAMM (Association of Mozambican Municipalities) still settling itself, it is a means to negotiate with CG (managed to press CG for more competencies and revenue for municipalities)
-Degree of LG autonomy to decide on priorities across sector areas	LG has autonomy within its powers, responsibilities and functions
-Budgetary provisions in the annual current budget to finance community projects	-The Local Initiative Investment Grant for both LG and local communities initiated projects (in all municipalities) -Donor funds for community projects given to LG, but with an effective management control (auditing) by donors (Dondo) -Donor funds, procurement and tendering is done in strict coordination with donors (offices at the MC main building) (Matola and Manhiça) -Regular visits by donor to MC (Chimoio and Nacala-Porto), due to lack of a donor office in these municipalities -Funding for social services from MC (education, health, etc) through the Department of Social Services) (in all municipalities)
-Clear LG regulations and procedures for auditing and accounting	-Law on CG Administrative Oversight to municipalities -Relatively clear rules and procedures, but not properly followed -There is a new regulation on Procurement, Provision of Goods and Services to the State (Decree No. 54/2005 of 13 December)
-Internal/external auditing body and its effectiveness	-Department of Finance not effective with LG funds (in Dondo, Manhiça, Chimoio and Nacala-Porto)
-Guideline principles for internal auditing systems	-Very weak and not effective (in Dondo, Manhiça, Chimoio and Nacala-Porto)
-Degree of efficiency in revenue collection (total revenue budgeted compared to revenue collected)	-The Fiscal Autonomy Ratio in 2005 (Dondo) & 2006 for the other four was as follows: Dondo 4.7%; Matola 38.22%; Manhiça 14.44%; Chimoio 31.98%; and Nacala-Porto 48.08%
-LG system of incentives for improved revenue generation (tax collection, exchange of information, guidelines on tax and charges collection, etc).	-No evidence of local system of incentives for improved tax generation. But CG increases grants if locally collected revenue increases too (for all municipalities)
-Capacity to achieve maximum results at the lowest cost possible (select best social projects and compare results with human,	-See table 4.20

material resources and services used)	
-List of vulnerable communities who benefit	-Orphan children, the elderly, poor households, HIV/AIDS victims (in all municipalities)
-Degree of usefulness, comprehensiveness, trustfulness and verifiability of LG information on financial resources	-The more comprehensive and trustful the planning and budgeting proposals are, the better for the municipality to get transfers from CG (for all municipalities) -There is no transparency in the application of government funds/The MA doesn't hold the MC accountable on LG funds/Some problems with the procurement and tendering section for LG funds (Dondo) -Attempt to hold the MC accountable by the MA, but party bonds weaken accountability processes (Matola) -Party bonds weaken accountability processes (Manhiça, Chimoio and Nacala-Porto) -There is no transparency in the application of government funds/ confrontational mood at the MA sessions (no effective accountability/ Procurement and tendering procedures not clear (vulnerability for mismanagement) (Nacala-Porto)
-Degree of access to LG financial information by local inhabitants (CBOs) and evaluating institutions	-Ineffective auditing systems from CG (for all municipalities) -All information on amounts of taxes collected has to be placed at the main MC building (the municipality is relatively keen in doing that, but with some delays) (Dondo) -Delays and omissions in placing information on amounts taxed (Matola, Manhiça, Chimoio and Nacala-Porto)
-Degree of credibility of actions carried out by LG	Highly credible actions with regards to donor funds (they reflect community demands) (all municipalities) -Relatively credible actions with regards to application of LG funds due to some pressure from MA (Matola) -Relatively credible actions with regards to LG funds application, but little pressure from MA (Manhiça) -Actions not credible as the performance of the municipality is considered bad by its people (Chimoio) -No credibility with regards to LG funds and an ineffective accountability to MA (Nacala-Porto)
-LG financial stability and continuity trends in the last 3 years	-Some improvements and increases in total local revenue (positive impact on community lives) (Dondo) -Some improvements and increases in total local revenue (moderate impact on community lives) (Matola and Manhiça) -Some improvements in total local revenue, but no improvements, at all, in community lives) (Chimoio) -Some improvements and increases in total local revenue, relatively low impact on community lives (Nacala-Porto)
-Predicted impact of immediate expenditure results in the long run	-Local communities were happy with LG performance in Dondo and Matola. Manhiça showed moderate results, but Chimoio and Nacala-Porto did not perform well (see satisfaction with service delivery coverage in the first pages of this chapter)

Source: Documents and interviews with households (20), NGOs, CBOs members and leadership and questionnaires filled in by 15 public officials in each municipality.

Table 4.18
Local revenue per capita of the municipalities studied (1USD=24.8 MZM)

Type of Revenue	Local revenue per capita in MZM
Dondo in 2005	252.50
Matola in 2006	172.30
Manhiça in 2006	55.45
Nacala-Porto in 2006	56.12
Chimoio in 2006	55.12

Source: Adapted from State Budget for 2005/2006 (Municipal compensation and local initiative investment grants) why such large differences?

Table 4.19
*Percentage of LG local revenue compared to local expenditure
 (2005, 2006, 2007)*

	Dondo (2005)	Matola (2006)	Manhiça (2006)	Nacala (2006)	Chimoio (2007)
Locally collected revenue	4.7%	38.22%	14.49%	48.08%	31.98%
CG transfers and donations	95.3%	61.78%	85.51%	51.92%	68.02%
Local expenditure compared to local collected revenue	225.8%	96.94%	110.8%	102.7%	100%

Source: State budget for 2005/6/7 (municipal compensation grant and local initiative investment fund).

4.8.2 Revenue of local governments

Perhaps because decentralization in Mozambique is still a new phenomenon and that improvements in performance and delivery have been very slow, LG financial management capacity is weak in all municipalities studied. All five municipalities collect less than 50 per cent of their local expenditure. The researcher derived that measure by separating the total

local revenue and CG transfers from locally collected revenue. When municipalities write budget and expenditure reports for the following year, they include the amount of transfers they need from CG and estimate what they will collect in that particular year. Local expenditure is calculated taking into account both CG and local collected revenue. All five municipalities receive grants from CG and donors to implement most of their policies. There are about three to four CG transfers to municipalities depending on their capacity of local taxation. Among these, the main ones are the Municipal Compensation and Local Initiative Investment Grants (funds). The percentage of LG shares of the total Municipal Compensation and Local Initiative Investment Grants is as follows: Dondo had a 1.5 per cent share of the total 2007 Municipal Compensation Grant and 3.1 per cent of the total Local Initiative Investment Grant in 2005 and 2006. Matola had the third largest (10.4%) share, among all Mozambican municipalities, of the Municipal Compensation Grant in 2007, of the total amount and a Local Initiative Investment Grant of 8.5 per cent in 2005 and 2006. Manhica is the poorest of all the municipalities studied and it has the smallest share of CG grants. It had a 0.63 per cent share of the total Municipal Compensation Grant in 2007 and 1.87 per cent of the total Local Initiative Investment Grant in 2005 and 2006. Chimoio had a 4.17 per cent share of the total Municipal Compensation Grant in 2007 and 3.5 per cent of the total Local Initiative Investment Grant in 2005 and 2006. Finally Nacala-Porto had a 3.91 per cent share of the total Municipal Compensation Grant in 2007 and 4.74 per cent of the total Local Initiative Investment Grant in 2005 and 2006 (State Budget for 2005/2006/2007: Municipal Compensation and Local Initiative Investment Grants-Ministry of Finance). Regarding proper legislation with rules and procedures to regulate the transfer of tasks and revenue or taxing powers to LG, Article 6 of Law No. 11/97 of 31 May, states that the transfer of competences to municipalities has to observe local real economic capacities strictly to carry out those competences effectively. Article 12 of Law 11/97 of 31 May, states that the transfer of competences to the municipalities has to be followed by the allocation of financial, human and patrimonial resources for those competences. It is a gradual process aimed at creating and consolidating the necessary requirements of technical, human and financial capacity of municipal bodies. The funds transferred from CG to the interested municipalities have to predict the respective expenditure for each of the new

competences. The funds transferred to municipalities are exclusively for the implementation of the new competences attributed to them. Even though grants or transfers have been allocated to municipalities to carry out projects, most of the interviews and questionnaires returned by local officials, particularly the councillors of finance regretted the low amounts granted from CG and demanded more funds to accomplish local projects. They agreed unanimously that there have been delays in the allocation of CG transfers.

Local expenditure in Dondo was more than twice (225.8 per cent) the total local revenue because of few donations and lack of interest from leadership to improve local taxation, as seen through the small percentage of locally collected revenue (4.7 per cent). Dondo still had the highest local revenue per capita including donations and CG transfers, 252.5 MZM. Matola is next with 172.3 MZM, Nacala-Porto 56.12 MZM, Manhiça 55.45 MZM and Chimoio 55.12 MZM. Chimoio receives the fewest transfers from CG although it collects more revenue than Dondo and Manhiça. One may conclude that the municipalities studied spend more than what they can collect locally and sometimes more than their total revenue including CG transfers. In 2005, Dondo only collected 4.7 per cent in revenue of what it spent during the year. Donors' funds were ten times more than CG transfers were including local revenue. One of the most important aspects is to contribute to the sustainability of the municipality, by strengthening its tax base through locally collected revenue. Donations are vital, but if they are very large and not coupled by local sustainability, they can cause serious damage to a municipality when donors vacate. Chimoio has been affected negatively because it gets the least CG transfers among all five municipalities studied.

4.8.3 Financial autonomy of LG

The researcher collected evidence related to the degree of autonomy local governments have to control and adjust local taxes and user charges and concluded that it is limited because: 1) LG doesn't have power to create revenue, except in taxes and tariffs of service delivery; 2) it also has limited power fixing what is collectable; 3) there are ceilings and assignments in the application of CG grants; and 4) limited power in fixing the amounts of revenue. However, it has autonomous juridical power to collect revenue. In terms of power to create revenue, other than subsidies not created by the benefiting LG, and loans, which depend particu-

larly upon the contract, the municipalities cannot create new fiscal revenue, but are relatively free to make decisions to establish taxes and tariffs from service delivery (Cistac 2001). The budget cooperation forum, composed of ANAMM (Association of Mozambican Municipalities), was ineffective in yearly negotiations with CG, because it was poorly established and weak. Still, it seemed to have succeeded in pressing CG for more competences and revenue for municipalities (Interview with the Secretary of ANAMM in February 2007). Funds for the implementation of community projects selected through MC or MA initiatives together with the communities come from an overall LG budget. Direct budgetary provisions for community projects come from donors' and NGOs funds. MCs only have budgetary provisions for funding social services such as education, health and others through the respective departments and the Department of Social Services.

4.8.4 Auditing procedures

There are relatively clear regulations and procedures for auditing accounts, but due to some frequent irregularities in the use of government funds and tendering and contracting procedures for the delivery of goods and services, the researcher concluded that the regulations are not followed properly in all municipalities studied. There is a New Regulation on Procurement, Provision of Goods and Service Delivery to the State (Decree No. 54/2005 of 13 December), but tendering and awarding of contracts for provision of such goods and services is still problematic. Even external auditing from CG is slow in detecting and solving these problems. Regarding the internal auditing body in Dondo, Matola and Manhica, the Department of Finance does the auditing and the Procurement Section purchases goods for all departments in these municipalities. In Dondo, the Department of Finance is not very effective in auditing government funds, the other two municipalities are also not doing well. Interviews with the Mayor of Chimoio in December 2006 and the Councillor of Finances of Nacala-Porto in July 2007 showed that in Chimoio and Nacala-Porto there are ineffective inspection sections, which mainly warn departments to prepare for eventual CG, auditing to the municipality. Guideline principles for internal auditing are relatively clear, but not effectively applied. All departments, in all municipalities send their plans to the Department of Finance for budgeting, tendering and awarding of contracts for the acquisition of goods and services. The

Department of Finance acquires goods and services for projects and allocates them to the respective departments, so more attention in auditing must go to this department and its related commissions, evidence shows little improvement, particularly in procurement in all municipalities studied (Interview with the Head of the Budgeting Section, Ministry of Finance in March 2007).

4.8.5 LG capacity to collect local revenue

Concerning capacity to collect local revenue, none of the five municipalities has done well; all of them collect less than 50 per cent of their local revenue capacity. Evidence on LG systems of incentives for improved revenue generation (tax collection, exchange of information, guidelines on tax and charges collections, etc.) was absent in all five municipalities studied. Perhaps the only incentive is that CG increases grants to LG, if local revenue also increases in amounts collected. The system of incentives and penalties to tax collectors and inspectors in all five municipalities is inefficient. In Nacala-Porto, the Councillor of Administration and Finances argued that ‘incentives for tax collectors and inspectors are essential for improved revenue collection, no better scheme can be applied unless to give incentives to tax collectors and inspectors. These officials earn very low salaries and are hungry, they easily end up embezzling public funds’ (interview with the Councillor of Administration and Finances of Nacala-Porto, in July 2007). Regarding the degree of LG openness in financial information provided to inhabitants (CBOs) and evaluation institutions, Article 13 of Law 2/97 states that municipal deliberations must be public. Articles 5 and 7 of Law 11/97 indicate that municipal budgets have to be published in the government *Gazette*. Article 82 of Law 11/97 states that at least three copies of the municipal annual accounts have to be posted for 60 days in the main council building and articles 30 and 31 of Law 11/97 indicates that the council must publicize concession of rights to use municipal patrimony, particularly land. Article 24 of Decree no. 42/89 states that the council must have a ‘procurement committee’ to respond to the procurement of goods needed by the council and Article 24 of Decree no. 42/89 further states that the council must have a ‘receiving committee’, which collects goods purchased by the procurement committee. Article 72[2] of Law 11/97, indicates that the municipal treasury must post a daily record of tax revenue and expenditure at the main council building. In Dondo, the municipality was

relatively regular in posting at the main MC building all information on amounts of taxes collected daily. In the other municipalities, there were some delays and omissions in placing the information on such amounts. Matola seemed to have more transparent tendering and procedures for awarding contracts to acquire LG goods and services, Manhiça, Chimoio and Nacala-Porto had serious problems in procurement procedures. In Dondo, interviews showed that LG enjoyed a high degree of perceived credibility, while in Matola, Manhiça and Nacala-Porto the perception was that officials are relatively credible and in Chimoio, LG actions were not perceived as credible due to poor service delivery.

See table 4.20 for local government financial stability and continuity trends over the last three years and the predicted effect of immediate expenditure. There also appears to have been few social projects, which achieved maximum results at lowest cost in any of the municipalities studied. Almost all municipalities provided free enrolment to local children, distributed health certificates and certificates of social security to poor people.

Both Municipal Compensation and Local Initiative Investment Grants flow to municipalities according to their geographical size, number of inhabitants, level of development and local revenue collection capacity. These criteria of allocating CG grants alone is not favourable to poor municipalities because they receive less, even considering their poor local infrastructure and higher levels of poverty. Thus their development is slow. The more developed municipalities receive a larger share and continue to develop at an acceptable pace at the expense of the poor ones. According to a senior official at the Ministry of Finance (interviewed in May 2007), other criteria such as levels of poverty, infrastructure development and others need to be taken into account.

Therefore, one may conclude that LG financial management autonomy in Mozambique is limited due to CG ceilings on the application of funds and prior assignment of certain tasks for CG transfers. For instance, the CG Compensation Grant is for salaries of MC officials and the Local Initiative Investment Grant is for local initiative projects. Locally collected revenue goes to pay local politicians (mayor, MA members and councillors) and administrative costs. LG has some flexibility in the latter with the rest of the funds collected locally. All municipalities researched collect less than 50 per cent of their local expenditure and the improvements witnessed in this area are meagre. It seems that more

devolution of tax assignments to municipalities is necessary after improving the current poor taxing capacity. The municipalities researched appear weak in internal LG and, external CG auditing and accountability mechanisms, which contributes to high levels of corruption and mismanagement of funds.

4.9 Capacity to Convene other Actors

4.9.1 General

The capacity of LG to convene remains underdeveloped in most of the municipalities studied. Dondo seemed to lead in this regard and Nacala-Porto ignored CBOs considering them as property of the main opposition party, Frelimo, and tried to substitute them without success. Table 4.20 indicates LG capacity to convene; these data were collected through interviews with CBOs, NGOs, local leadership, local officials and community members. Further detailed discussion of these issues follows.

Table 4.20
Indicators on capacity to convene other actors

Indicator	Municipalities of Dondo, Matola, Manhiça, Chimoio and Nacala-Porto
-Local regulatory framework/policies for enablement (coordination and facilitation) of CBOs/ private sector.	-Law no. 8/2003 of 19 May (regulates participation and consultation to communities (CBOs) (see report below) (applies to all municipalities)
-Legal/formal recognition of partnerships.	-Local Government Act (1997) -Law no. 11/97 of 31 May (applies to all municipalities)
-Official register of NGOs/CBOs and purpose for registration	-All NGOs/CBOs to perform their duties, have to register (see report-interviews) (applies to all municipalities)
-Compare 3 best plans/ projects and results of delivery through partnerships (select social services)	-Work for food programme (community members participated in LG activities (repair bridges, houses and clean wreckage after hurricane, 2007) and received food as payment for participation (Dondo) -Programme to support the elderly by improving their own manual artistic skills (see report below) -Support to the victims of Paiol (armament storage) explosion (Matola) -Programme to assist local farmers in producing sugar cane, which is then sold to the local sugar processing company, and distribution of agricultural equipment through the local association of farmers (supported by MC and partners) (Manhiça)

	<p>-192 goats distributed to 64 families (devolution of goats born for other families to benefit (supported by Save the Children, Terre des Hommes, World Food Programme NGOs, FAO and the MC Department of Social Services and implemented through partnerships)-Project of support to orphan children by the Nucleus of HIV/AIDS combat -40 cows given to 20 associations of poor farmers (Chimoio)</p> <p>-MC worked with the District Health Directorate and respective associations in improving health services in hospitals, and preventing/combating HIV/AIDS (Nacala-Porto).</p>
-List of CBOs involved and degree of involvement in planning	<p>-Dondo community radio</p> <p>- Association of Independent Traditional Healers and the Peace Promotion Association (AMODEC),</p> <p>-Consultative forum composed of 44 members of civil society (only operated during the first year of its creation) (2005 in Chimoio)</p> <p>-None (Matola, Manhiça, Chimoio and Nacala-Porto)</p> <p>-CBOs are not trusted by the party in power (Nacala-Porto)</p>
-List of actors involved in the accomplishment of tasks	<p>-LG, Austrian Cooperation Agency, local ward nuclei, Association of War Demobilized Soldiers, Association of Traditional Healers. (Dondo)</p> <p>-LG, Ministry of Health, Spanish Cooperation Agency, Terre des Hommes and Kulima NGOs and local community members. (Matola)</p> <p>-LG, Spanish Cooperation, Association of local farmers, Maragra sugar processing factory (Manhiça)</p> <p>-LG (Department of Social Services), Save the Children, Terre des Hommes, World Food Programme, and FAO NGOs. (Chimoio)</p> <p>-LG, Ministry of Environment, Projecto 7 Cidades and local community members (Nacala-Porto)</p>
-Degree of commitment of the LG and other actors in accomplishment of tasks (responses from LG partners)	<p>-Satisfactory (compromise on participative budgeting, policy implementation capacity-building, rehabilitation of infrastructure and provision of equipment and work materials (Dondo)</p> <p>-Not much has been achieved through partnerships with CBOs. But much has been achieved with the Spanish Cooperation (capacity-building initiatives and provision of equipment and work materials). (Matola and Manhiça)</p> <p>-Some important achievements made by CBOs, but with sponsorship from Save the Children, GTZ, OSEO, Terre des Hommes. Much has been achieved in partnerships with PROGOV-USAID project (capacity-building, rehabilitation of infrastructure and provision of equipment and work materials (Chimoio)</p> <p>-Satisfactory partnerships with the project PROGOV-USAID, Project 7 Cidades in capacity-building, rehabilitation of infrastructure, policy implementation and provision of LG equipment and work materials (Nacala-Porto)</p>
-Local supportive framework for partnerships (local champions/key municipal officials/(NGOs/CBOs) and private sector representatives)	<p>-Mayor, MA members, key officials and Austrian Cooperation Agency (for efficiency and effectiveness in project selection and implementation) (Dondo)</p> <p>-Mayor, MA members, key officials and Spanish Cooperation agency (for efficiency and effectiveness in policy implementation) (Matola and Manhiça)</p> <p>-MA, key officials and PROGOV-USAID Agency (effectiveness and efficiency in project implementation) (Chimoio)</p> <p>-Politization of CBOs. No trust from the party in power on CBOs and community leaders (connoted to belong to the opposition) (Nacala-Porto)</p>

Source: Documents, interviews to households (20), NGOs, CBOs members and leadership, and answers to questionnaires from 15 public officials in each municipality.

4.9.2 Formal recognition of partnerships

Concerning the legal or formal recognition of partnerships, Law no. 11/97 of 31 May, states that delegated management does not exclude participation, but establishes different modalities in its organization. The Local Government Act (1997) recognizes that due to scarcity of human, financial and material resources, where a municipality is aware that it is not able to perform well, it should contract out or have partnerships with the private sector, NGOs/CBOs or other institutions capable of implementing LG projects effectively. NGOs/CBOs have to be officially registered so that they can be recognized by LG and be given authorization or assistance to perform their duties within the municipality. There were few social plans/projects delivered through partnerships, but there were some in Dondo, Matola, Manhiça and Chimoio.

Regarding local CBO and association involvement in planning, in Dondo the local community radio mobilizes and keeps communities informed on participatory budgeting issues. The Association of Independent Traditional Healers and the Peace Promotion Association (AMODEC), together with ward nuclei are good mechanisms for community priority setting and social control. In Matola, Manhiça, Chimoio and Nacala-Porto community involvement flows through representatives at the MA, who meet with the communities and then channel their demands to the MA for deliberation. This seemed ineffective, as vulnerable community members often have no voice. In Chimoio, a consultative forum composed of 44 members of civil society was formed after the 2004 elections, but it only operated during the first year after its creation. It hardly exists now, a sign of loss of political will and commitment to respond to community demands, as failure in service delivery continued until the end of the five years governing term. In Zaragato Ward in Chimoio, where the pilot project on participatory budgeting was carried out, the Pambery Association (meaning forward) played a role in community mobilization, it was supported by both LG and PROGOV-USAID Agency, but it also did not last. In Nacala-Porto CBOs were politicized and the party in power did not trust them, it considered them to belong to the opposition party, Frelimo. The Organisation of Mozambican Women (OMW) and the Organisation of Mozambican Youth (OMY), ruling party organizations in Dondo, Matola, Manhiça and Chimoio, are only involved in preparing local events such as anniversaries of the country's independence and other important national or local holidays and for

community mobilization in favour of the ruling party. The other municipalities studied including Matola had partners such as PROGOV-USAID Agency, Spanish Cooperation Agency, Austrian Cooperation Agency, SNV-Netherlands, Terre des Hommes NGO, Save the Children, and others. Some of these international NGOs do not trust politicians and deliver services in isolation and directly to the vulnerable. PROGOV-USAID Agency, the Spanish Cooperation Agency, Austrian Cooperation Agency and SNV-Netherlands are international agencies that work directly with LG; they provide capacity-building programmes, equipment and help build LG infrastructure. The Spanish and Austrian Cooperation Agency had significant impact on improvements witnessed in Matola and Manhica respectively. Other international NGOs such as Terre des Hommes, Save the Children, Oxfam and World Vision work at national level and have partnerships with CG, but little direct interaction with the local level. Most of these international NGOs work on the city periphery and in rural areas. They deliver services to thousands of beneficiaries all over the country. Some are permanent with more than a decade working in the country. They have their own offices and agents at local level who coordinate and do the management of service delivery. National NGOs need to be aware of possible manipulation because they have less funds and are therefore, less independent. There are variations in terms of numbers of civil society organizations among the five municipalities. The municipalities in big cities with better living conditions and infrastructure host more NGOs than municipalities in small cities or villages do, but these NGOs deliver services on the periphery and in rural areas, as mentioned. In rural areas where there is no electricity and poor access roads, most NGOs whether international or national rarely reach such places. Chimoio leads with the most NGOs (5), Nacala-Porto is second (4), followed by Matola (3), Dondo (3), and Manhica is last with the fewest NGOs (2).

One can argue that there is a basic framework in the Local Government Act of 1997 for legal/formal recognition of CBOs namely Law no. 8/2003 of 19 May, which regulates the participation and consultation to communities (CBOs) and Law no. 11/97 of 31 May, which recognizes and legalizes partnerships between LG, CBOs and the private sector. CBOs/NGOs must register locally to work in the area. In terms of ranking LG capacity to convene in the municipalities studied, Dondo seemed to have a much better capacity, particularly to convene donors due to its

participatory budgeting process. Local CBOs such as ward nuclei, the Association of Independent Traditional Healers and the Association of Demobilized Soldiers were important in mobilizing locals to participate in participatory budgeting meetings. The ward nuclei were important in putting pressure on LG for project implementation. Matola was the second municipality that had an effective capacity to convene other actors mainly because the mayor had knowledge of international relations and had contacts with other municipalities outside the country, but even though he could not get as much support and funding as Dondo. The other three municipalities had weak capacity to convene.

4.10 Capacity-Building Initiatives

4.10.1 General

This section deals with capacity-building initiatives from CG, donors and NGOs to Mozambican municipalities, but the main question in this section is to what extent are these capacity-building initiatives addressing the gaps in LG capacity to plan and make decisions, to manage administrative and financial aspects and to convene other actors in the local development process. Despite the delivery of some capacity-building initiatives to municipalities, they still lack sufficient qualified staff to carry out LG functions and responsibilities. Data on capacity-building initiatives were collected through documents, interviews to CG officials, donors, NGOs members, local leadership and municipal officials. Questionnaires from municipal officials provided further evidence on this issue. Tables 4.21 and 4.22 present indicators on capacity-building initiatives delivered to all five municipalities studied and further detailed discussion of the same content follows.

Table 4.21
Indicators on capacity-building initiatives provided to the Mozambican municipalities by the CG, donors and NGOs

Indicator	Municipalities of Dondo, Matola, Manhiça, Chimoio and Nacala-Porto
LG leadership roles	-One week workshop for mayors/ councillors to learn about municipal legislation/ their duties, strategic planning and leadership (all 5 municipalities)
LG use of participatory approaches (budgeting) in decision-making	-Two-week workshop on the use of participatory approaches (participatory budgeting) mayor, all councillors, key officials (planning and budgeting section) -2/MA members -Ward nuclei and community leaders (30) (Dondo). -MA (all of them) members to present and deliberate community demands (in committees) (all 5 municipalities) -Joint all stakeholders capacity-building to ward representatives (5), all councillors, technical department officials and all MA members (pilot project in Zaragato and Muanona wards to be replicated in Chimoio and Nacala-Porto under PROGOV-USAID project).
-Training at the Intermediate Institutes of Public Administration in the north, centre and south Mozambique (for all 33 municipalities) in LG policy management, implementation and capacity-building in human and financial resource management and auditing.	-30 days training for LG key department officials (public finance-2, HR-2, infrastructure-2 and management of urban land-2) (see report below) (all municipalities)
LG capacity to use partnerships effectively	-Capacity acquired through practice in working with NGOs/CBOs and in tendering and contracting out service provision (all 5 municipalities)

Source: Documents, interviews with households (20), NGOs, CBOs members and leadership, and answers to questionnaires from 15 public officials in each municipality.

Table 4.21 presents the recent staff training programmes in each municipality. Most questionnaires returned indicate that public officials are happy with capacity-building initiatives and particularly some of those who had training stated that they could apply the knowledge acquired in their jobs (administration services, planning and budgeting sessions). In Chimoio, Manhiça and Nacala-Porto a few disliked the procedures followed to select officials for training arguing that the process was not transparent and they could not apply the new skills. According to the Head of the Department of Municipal Administration at the MSA (interviewed in June 2007), administration and financial skills are most lacking,

basic training has been given and some improvements have been made. Some of the areas addressed by capacity-building initiatives match with MC needs, particularly in crucial areas such as leadership, knowledge of municipal legislation, administration and financial management, despite a noticeable shortage of qualified staff in these and other MC departments. Central planning hinders capacity-building initiatives and leaves many trained officials unable to gain work in these areas. This was evident in Chimoio where three officials had computer skills, but had no computers to work with.

Plan of Activities for the Project of Democratic Municipal Governance-PROGOV (July 2005-July 2006) Final Report

The USAID-PROGOV programme in Mozambique was developed by USAID partners to improve democratic decentralization in the country. The programme's main objectives are to promote citizen participation, civic capacity and improve the technical capacity of local officials in responsible and efficient democratic management of resources and services in their municipalities. The programme is also designed to assist the consultative fora, CBOs, NGOs and private sector associations. At the national level, the PROGOV project coordinates and shares its activities with the CG and the National Association of Mozambican Municipalities. This International NGO is implementing capacity-building programmes in the municipalities of Chimoio, Nacala, Monapo, Vilanculos and Gurué.

Areas targeted

Fiscal database improvement and transparent financial management (introduction to participatory planning and budgeting processes); solid waste disposal; strategic planning; Municipal Assembly improved information management and deliberation; reorganization of municipal markets; and urban planning.

Municipal Development Programme funded by the World Bank and implemented by the Mozambican CG

The Ministry of State Administration implements this programme with funding from the WB and it aims to enable public officials to operationalize the Local Government Act (LGA) laws through elaboration of regulations for its implementation and for the composition of LG lead-

ership and officials. The programme contributed to human resource development initiatives delivered to officials in each of the 33 Mozambican municipalities. The training was carried out in the areas of procurement, recruitment, revenue collection, budgeting and planning, and infrastructure. Three Intermediate Level Institutes of Public Administration (IFAPA) in Maputo, Beira and Lichinga (northern, central and southern regions of the country) were/are delivering these courses. An average of ten officials in each of the 33 Mozambican municipalities received training in the following areas: public finances (budgeting/planning) - 4 officials; human resources - 2 officials; infrastructure - 2 officials; management of urban land (soils) - 2 officials.

The project also involved elected bodies such as the mayors and municipal councillors in training to acquaint them with the new municipal laws. The mayors had additional training in strategic planning matters. According to the Head of the Department of Municipal Development at the Ministry of State Administration (interview in June 2007), the reason for this training is that, although mayors come and go, municipalities need a long-term strategic plan to guide the local development process. This is the Strategic Plan for Municipal Development. Only two municipalities in Mozambique have strategic plans, Maputo and Cuamba, the rest have plans drawn from their electoral manifestos, which are not as effective as a strategic plan.

Seminars have also been organized in all the Mozambican municipalities to disclose the Local Government Act laws (Interview with the Head of the Department of Municipal Development at the Ministry of State Administration-23/05/06).

Programme to Support the Mozambican Districts and Municipalities (PADM)

The Austrian Development Agency has been involved in municipal development for a long time through the DEC and PADM programmes in Dondo and Marromeu. DEC was aimed at training LG officials and local communities (through their leaders) in participatory approaches to planning, while PADM continues to deliver training to LG officials and helps develop municipal infrastructure and improve urban settlement in these municipalities (Interview with the Head of the Austrian Development Agency in Maputo in November 2006). The Programme to Support the Mozambican Districts and Municipalities (PADM) has two phases. Phase

1 ran from March 2003 to April 2005 and phase 2 from April 2005 to May 2007. It is funded by the Austrian Development Agency and implemented by the Austrian Agency ECOTEC in Dondo and Marromeu. The available budget for this project is 2.5 million Euros and targeted staff members of these municipalities and local civil society. The leadership, key officials and the members of ward nuclei in Dondo have benefited from training in participatory budgeting.

Aims of PADM

This project is designed to strengthen the decentralization process in these municipalities at various LG levels and to test current LG policies and legislation through participatory planning and development methodologies. This is achieved through capacity-building activities to local authorities (municipal leadership and officials) and local communities. These capacity-building initiatives are also for financing investment projects, selected by the local communities.

Project activities

Promotion of participatory planning and development; capacity-building to improve governance at the municipal level (focusing on strategic planning); and financing investments and implementation of small projects for rural communities.

Main areas of intervention

- Capacity-building

In Strategic Planning Process (including land/cadastral and territorial planning); service provision by LGs; legislation and accountability (decentralized finance, tendering process, etc); and civic education (various areas).

- Participatory processes

Promotion of community participation in development and planning.

- Investments

Public and socio-economic infrastructure; and community infrastructure/micro projects.

Major challenges achieved in 2004/2005

Consolidation of bottom-up (Participatory Community Consultation Process), development assessment and central sector approach (PES) to

planning; focus on communities, facilitation of democratization and accountability of LG; improvement of coordination/collaboration among municipalities and districts (and provincial authorities); provide input to the national decentralization process and to policies and implementation procedures. *Source:* Project PADM Document-ECOTEC.

Project for Institutional Strengthening of the Municipalities of Matola and Manhica (Document-Spanish Cooperation)

The first phase of the project was a feasibility study to identify local problems. This involved the Spanish Cooperation Agency, the Matola and Manhica LG and their respective local communities. About 1.8 million USD is available for this project and the areas to be tackled in this capacity-building programme are: planning capacity (municipal development plan); administrative management; financial and fiscal management; urban management; markets; local development; and human resources capacity-building (technical aspects).

Results expected

Performance of the Municipal Planning Support Group and increases in specialized officials, infrastructure development and technical assistance.

Indicators

Updated municipal database systems; municipal development plan; reports of meetings with the Municipal Planning Support Group and with communities; working plan and budget of the municipalities for 2006 up to 2008; conclusion of financial management documents; every six months LG reports to communities; and evaluation reports.

This programme has given financial support to both Matola and Manhica for the rehabilitation of open markets and reorganization for improved taxation. This has helped increase MC revenue in both municipalities. The programme has provided capacity-building in urban cadastre to improve settlement planning in these municipalities. The programme has focused on supporting the MC and MA, but little has been done regarding local communities. Thus community participation in decision-making is still weak in Matola and Manhica.

In Matola, 81 municipal police officials received training in capacity-building. Further 42 ward secretaries and 20 community leaders were

trained in administrative municipal issues to deal with local petitions; 8 officials were trained in leadership and water pumps management, maintenance and canalization; and 2 officials were trained in computer skills (interview with the Head of the Department of Administration in February 2007). In Manhiça, 10 officials received additional training in computer skills. In Chimoio, training was also given to 28 officials in human resources management; financial management; planning and budgeting; management of urban soil; prevention and to combat HIV/AIDS and municipal legislation (interview with the Mayor of Chimoio in December 2007). All officials of the Department of Inspection in Nacala-Porto participated in a capacity-building course on internal inspection, municipal governance and management. 30 officials received training in computer skills and two in public relations. There was an internal initiative and funding in staff capacity-building in municipal competences/functions and training in basic management of State documents and archives (Report on planning and budgeting proposal for 2007). Some LG officials and community leaders in Zaragato and Muanona wards in Chimoio and Nacala-Porto respectively received training in participatory budgeting from the Agency PROGOV-USAID. All MA members were trained in presenting and deliberating community demands at the MA. LG capacity to use partnerships was acquired through practice in working with NGOs/CBOs and in tendering and contracting out service provision.

There are many capacity-building initiatives at the municipal level, it seems that lack of coordination among the various LG partners in the municipal development process and uniformity in action policies, means that projects are scattered and funds wasted. The Local Government Development Policy and Strategy issued and approved by the Council of Ministers in 2006 is meant to improve coordination. Although donors and NGOs do a feasibility study before intervention, the benefiting municipality does not make the final decision. There are areas where capacity-building initiatives have shown remarkable progress, namely the training of personnel from the departments of planning and budgeting and, municipal administration. Nonetheless, it is important to consider some shortcomings. Some officials argue that they had training in computer skills, but they came back and continued to do the jobs they used to do before, without proper equipment, specifically computers.

Municipal partners are also boosting local revenue through rehabilitation of open markets for better taxing, and training of tax collectors to

increase revenue. Locals receive civic education on the relevance of paying taxes and fees. According to the Director of AWEPA (an international NGO from the European Parliamentarians Training Department interviewed in June 2007), the municipalities have serious problems with recruitment, 'we train officials in issues related to planning, budgeting, etc. and when new politicians come to power, they substitute them with their untrained trustees, and again the municipality demands training for them. We are spending scarce resources inadequately because of this. The CG should do something'. This is common in municipalities where mayors from different parties follow one another or, in municipalities where the opposition comes to power. It seems more evident in key areas such as planning and finances.

Another problem is termination of the Programme of Municipal Development funded by the World Bank. The programme had a budget of 30 million USD, which the Ministry of State Administration was unable to spend, only 12 million USD were used, while municipalities remain underfunded. This is astonishing because the capacity-building initiatives delivered in all areas of intervention, including MC infrastructure, equipment and work materials of LG have only had a small impact in improving LG performance. The Ministry of State Administration lacks effective initiatives to deliver the necessary capacity-building programmes for sustainable LG development. This ministry needs to improve its policies towards capacity-building to municipalities and its human resources, as more support is still needed. One can argue that most capacity-building initiatives delivered by CG, donors and NGOs were relevant as some municipalities witnessed improvements in infrastructure, work materials and equipment. For instance, the MA of Dondo has a new building and many other MC buildings in the other municipalities were rehabilitated and equipped with furniture and computers, particularly for mayors, councillors, key personnel and for the Departments of Administration and Finances. In Dondo, Matola and Manhica financial support from donors for the rehabilitation and reorganization of central open markets for improved taxation seemed effective but less effective in Chimoio and Nacala-Porto due to poor control of tax revenue and more corruption. Chimoio and Nacala-Porto seem to have benefited less from the USAID-PROGOV Programme. Training programmes delivered to municipalities by CG, donors and NGOs were relevant, particularly in the areas of strategic planning, knowledge of LG legislation, planning and

budgeting, infrastructure and management of urban soil. Most of these initiatives were not effective because they were not comprehensive, did not cover most organizational aspects and were scattered and delivered in isolation. Regarding knowledge of LG legislation, the programme was less effective because there are still many officials who do not know it. Training in computer skills although relevant was less effective in Chi-moio because some officials did not have computers to use after training, and councillors still shared offices. Training in planning and budgeting was both relevant and effective as most officials trained can now write planning and budgeting reports for the Ministry of Finance requesting CG grants as well as the basic technical aspects of the field. Training in strategic planning was relevant, but ineffective because among all Mozambican municipalities only three have strategic plans: Maputo, Matola and Cuamba. One can argue that lack of an effective coordination of capacity-building initiatives by the Ministry of State Administration jeopardizes most efforts to improve LG capacities. This becomes worse when this ministry fails to use 30 billion USD from the WB due to lack of effective policies and capacity-building initiatives, while municipalities still lack infrastructure, qualified staff, equipment and work materials.

4.11 Conclusions

This chapter concludes with the help of a table ranking the municipalities studied and its detailed explanation. Table 4.23 shows the ranks of the five municipalities researched in terms of independent and dependent variables discussed above. The study uses the following five-point Rating Scale: 1-least effective, 2-less effective, 3-neutral, 4-more effective and 5-most effective. Data was gathered and aggregated from semi-structured interviews of 20 households and 15 questionnaires delivered to local public officials in each of the five municipalities studied. The percentage of respondents according to the points they selected for each variable in the semi-structured interviews and questionnaires (5 points-most effective to 1 point-least effective) dictated the points each variable would get in each of the municipalities studied. See table 4.4 for more clarity on the variable leadership, and other tables in chapter 4 for the other independent variables. By looking at the table below, it may be concluded that there is a close, but not complete correspondence between the dependent variable and the independent variables, as some municipalities scored

low in some independent variables, even with considerable improvements in service delivery coverage.

Table 4.23
Ranking the 5 Municipalities Studied (1 least effective-5 most effective)

Municipalities	Dondo	Matola	Manhiça	Nacala-Porto	Chi-moio
Leadership: personal characteristic (effectiveness)	4	5	3	2	1
LG institutional set-up	3	4	3	2	1
Political parties influence in decision-making	2	4	2	1	2
LG capacity to plan and make decisions (community participation)	4	3	3	1	1
LG administrative capacity	4	4	2	2	2
LG financial management capacity (effectiveness)	3	3	3	2	1
LG capacity to convene	4	2	2	1	1
Improvements in service delivery	5	4	3	2	1

Source: Interviews, LG reports, questionnaires, newspapers and ethnographic observation.

Leadership

Regarding personal characteristics of leaders, the study concludes that Matola ranks first because of its *leadership own political commitment*, which locals considered intellectual (mayor had a university degree and was a university lecturer), strong and willing to respond to local communities' needs and wants. Therefore, *effective leadership* triggered success in Matola. Although most local policies derived from the ruling party electoral manifesto, the Mayor still applied an open-office policy, where every Thursday he would meet any community member in his office. The Newspaper *Canal de Moçambique* in its 651/09/08 edition, regarded him as one of the three best mayors in the country who could produce effective results. The other two best mayors in the country were the Mayors of Beira and Maputo. Dondo's leadership is in second place because the

Mayor's effectiveness was mainly triggered by donors; the Austrian Cooperation Agency and the World Bank, institutions that supported the municipality through funds and capacity-building initiatives at institutional (participatory planning), organizational (infrastructure and equipment) and human resource development (training) levels. Its leadership effectiveness did not result from its own political will and commitment to respond to local demands as Matola. On the contrary, donors imposed it as a condition for funding, particularly in participatory budgeting. Pressure from donors on leadership has been a good strategy. The municipality ranked third in terms of its leadership effectiveness is Manhica. Its local leadership was considered by respondents to be moderate and experienced, and it played a major role in the improvements in service delivery coverage. In Nacala-Porto, the fourth ranked municipality in this survey, there was lack of an effective leadership due to the confrontational mood between the Mayor and the MA, which accounted for most of the failure in service delivery coverage. This hampered constructive policy decision-making. The negatively affected cohabitation between the local Mayor and the District Administrator (the local representative of the PG and CG) due to conflicts between both local leaders also had a negative impact in service delivery. Chimoio, the least successful municipality failed in service delivery coverage also because of an ineffective local leadership..

Influence of political parties

In terms of political parties influence in decision-making, Matola is ranked first with a more effective political party influence in decision-making. Apart from the Mayor, respondents regarded the influence of his political party, which had the majority in the MA as positive. The MA of Matola was an organised and constructive body, which deliberated and defined policies that reflect local community demands and tried to hold the MC accountable. Three municipalities rank second in influence of their political parties in decision-making, Manhica, Chimoio and Dondo. In Manhica, it seems that lack of an effective accountability from the local Mayor and MC to the MA may have contributed to misapplication of scarce resources. Since the mayor and the majority in the MA were from the same party, the latter seemed subdued by the mayor. The same applies to Dondo where the MA was ignored by the Mayor and MC in favour of better relationship with donors. Chimoio ranked fourth, although the Report on Transparency, Risk Areas and Opportunities for Corruption in

six Mozambican Municipalities (2007) states that the local MA was organized and constructive in its deliberations, very little has been done to improve service delivery. The least effective municipality in the influence of political parties in decision-making is Nacala-Porto. The relationship between the local mayor and his political party members in the MA was good, but with the opposition, it was *confrontational and deconstructive*. This had repercussions in local decision-making, project implementation, monitoring and evaluation.

Institutional setup: Are better rules an incentive to act better?

Regarding LG institutional capacity implications, the study concludes that although the Local Government Act (1997) and its laws, rules and regulations are similar in all Mozambican municipalities, there are specific differences and innovations that have been introduced by some municipalities. For instance, an important aspect applied only in Matola relates to monthly salary payments given to ward secretaries. They were considered MC employees, because they mobilized locals for local events, issued documents to them and charged a small fee for these services. In the other municipalities, these local leaders delivered the same services but without any remuneration. The question is, whether they did it with the same motivation and readiness or not. Due to staff in Matola that was more qualified, including MA representatives, it was easier to interpret the legislation than in the other municipalities. In Matola, also due to higher qualifications and experience of officials, there was *more flexibility and discretion* in the use of CG transfers because they were better able to find justifications for fund reallocation. Manhica and Dondo come second, because of their attempt to follow some rules and regulations, with some fewer cases of failure to do so. For instance, in all five municipalities, although the rules and regulations on procurement procedures are explicit, deviations occurred purposively, induced by weak CG accountability mechanisms and auditing systems. The *worst municipalities* in following procurement procedures were Nacala-Porto and Chimoio. In these municipalities, procurement procedures were not followed and the quality of services provided by LG partners, the private firms awarded contracts, was poor. Work materials and equipment were of bad quality and roads never stay repaired. As many of the rules and regulations applied in municipalities are for the entire State apparatus, they need more clarification and more rules and regulations that are specific to LG

to make municipalities more autonomous and clear about proper procedures are also needed. Common sense says that better rules and regulations can be an incentive to act accordingly and the clearer they are the less incentive to misconduct. Clearer rules for decision-making and sanctions also help reinforce accountability.

LG capacity to plan and make decisions

Dondo is first in its capacity to plan and make decisions that reflect local community priorities due to its participatory budgeting programme. Donors provided the necessary financial support for project implementation and monitored the entire process with the ward nuclei. The locals were happy with the results. Participatory budgeting, which was introduced in Zaragato Ward in Chimoio and Muanona Ward in Nacala-Porto failed because the USAID-PROGOV Programme was terminated, possible due to lack of funds or financial mismanagement. The Municipality of Matola, is ranked second with Manhica, and they differ from the others because in the former, the Mayor applied an open office governance (space for participation which could influence policy decisions), in which locals could have direct contact with him to press their demands. Capacity-building initiatives from the Ministry of State Administration and donors in all Mozambican municipalities have helped to improve local planning. Planning and finance officials are now able to draw activities, budget and expenditure plans due to these capacity-building initiatives. Among the five municipalities studied, Dondo is the only one that applied participatory budgeting and has had significant financial support from donors leading to considerable success with the project. Nacala-Porto and Chimoio, (4th and 5th respectively) failed to involve locals in policy decisions and in planning. In Nacala-Porto, CBOs were ignored and considered part of the opposition and in Chimoio, a participatory forum established in the first year of the mandate was only active during that first year.

Administrative capacity

This chapter concludes that Matola and Dondo are first in LG administrative capacity. In Matola, because the Mayor was willing to address local community demands effectively, he hired qualified councillors and officials, some with university degrees so that the MC officials, including

the ones from the financial department could perform better. *The pressure from the Mayor and MA on the MC personnel* (variables on responsive administration and financial management) contributed to effective service delivery coverage and community satisfaction. Dondo's administrative capacity was also effective as most community-initiated projects (through participatory budgeting) showed positive results. However, despite all these positive aspects, the few projects funded by LG financial resources (CG transfers and locally collected revenue) failed in service delivery. Manhica, Nacala-Porto and Chimoio were all less effective in their administrative capacity. In Manhica, lack of qualified staff, infrastructure and equipment held the municipality back (3rd overall). At councillor and management levels, there was no effectiveness. Councillors used to do political and administrative work, they were overloaded and unable to clear processes, not only because of lack of qualified staff, but also fear of delegating assignments for suspicious reasons, perhaps loss of *status quo* or loss of opportunities for corrupt deals. In Chimoio, councillors would move around with their files and sometimes postpone assignments or appointments, as they had to wait for a vacant office, desk or chair. This is problematic and should be dealt with as soon as possible. Capacity-building programmes have been delivered, but councillors still had a shortage of offices, equipment and work materials, including MC officials recently trained. Lack of equipment and work materials is a crosscutting matter for all municipalities studied, but Nacala-Porto and Chimoio, are in the worst condition.

Capacity for financial management

Regarding LG financial management, one can conclude that Dondo presents the most impressive two-fold financial management system. For projects funded by donors, there was *effective financial management*. Donors followed the entire process, including monitoring, evaluation and auditing of accounts. They also followed procurement procedures from tendering through to the outcome, and if not transparent, procurement procedures were repeated. However, for LG's own funds, mismanagement occurred and the MC was purposively not accountable to the MA, the latter was overpowered and ignored, probably as an enabler of corruption. The MC enhanced its relationship with donors in detriment of its relationship with the MA. As the MC was reluctant to improve its own local revenue, one wonders what will happen when donors are gone. In

other words, what is the future of participatory budgeting in Dondo? It also seemed that donors and the CG through its weak auditing systems did not put pressure on the MC to improve its own local revenue. Some aspects to consider are civic society for an increased local revenue are tax education, effective taxation, infrastructure improvement, training at lower levels (tax collectors and inspectors) and expansion of LG tax base. Although Matola enhanced service delivery, being a rich municipality with a robust tax base, a higher share in CG transfers (it receives the 3rd largest share of CG transfers), developed local infrastructures, major national industrial area crossed through the Maputo Development Corridor, local communities argued that the Mayor was credited with most of the positive changes. Matola received a higher share of CG transfers not only because of its population density and size, but also because of its contribution in tax collection to CG coffers. The amounts received increased because tax collection amounts increased, indicating improvement in this area. Among the municipalities studied, the second highest share of CG transfers belongs to Chimoio. The third highest share went to Nacala-Porto, then Dondo and the lowest to Manhica, the poorest of all of them. All five municipalities still collected less than 50 per cent of their full local revenue capacity. The annual local revenue per capita, excluding CG transfers and other funds, showed that Matola led with 63.85 MZM. The worst municipality was Dondo, which has an annual local revenue per capita of 11.92 MZM, excluding donors' funds and CG transfers, less than half a dollar per year for each inhabitant. The other financial constraint is the reimbursement of CG transfers to municipalities, which often delays and hinders the timely and effective accomplishment of projects. It is also important to mention that within LG powers, responsibilities and functions, there is financial management autonomy, although most of the money is assigned to specific areas and there must be a sound reason for an eventual reallocation.

Capacity to convene

In Dondo (ranked 1st in this chapter), participatory budgeting improved LG capacity to convene, as communities, local associations and CBOs were actively involved in priority project selection, and the tendering was transparent and open to many service providers, mainly the private sector, due to pressure from donors. Donors, the CG and LG should seek sustainable ways to continue participatory budgeting, even after donors

leave. Not only is the sustainability of participatory budgeting at stake but that of the municipality, as it is now an effective institution because of funds from donors. In Matola, tied for second place in this chapter with Manhica, the local mayor improved the capacity to convene, particularly foreign actors to exchange knowledge and experience in local governance and to benefit from capacity-building initiatives. The private sector played a role in project implementation, but local associations and CBOs were forgotten and played an insignificant role locally. Compared to Dondo, Matola and the other three municipalities studied had less participation from community members, local associations and CBOs in decision-making. In Nacala-Porto, the least effective together with Chimoio, the capacity to convene was worse because all local CBOs and associations were considered to belong to the opposition party, Frelimo, leaving them out of decision-making and project monitoring and evaluation. This resulted in weak LG capacity to convene and less community participation in local governance. The pilot participatory budgeting projects started by USAID-PROGOV in Zaragato and Muanona wards in Chimoio and Nacala-Porto, ended during their initiation as the entire programme was terminated. Some NGOs and CBOs did not trust the LG, preferring to deliver services alone, and still made a difference. Although donors support all five municipalities, only Dondo succeeded in its capacity to convene donors and improve service delivery, the other municipalities had moderate or less donor support and few had improved through such intervention compared to Dondo.

The study also concluded that success in some municipalities studied seems impossible without an effective leadership whether motivated by political will and commitment or influenced by other means, including donors' funding. Apart from leadership, other important independent variables were human and financial resources, directed by an effective leader, to respond to local priorities. The best way to address these community needs is to involve them in priority project selection. This enhances community ownership, gives legitimacy to the decision-making process and to LG actions. This ranking exercise has been useful because it stimulated the researcher to perform a comparative analysis of the five municipalities studied. However it cannot be carried too far, as it is better done in a qualitative way. The next chapter gives a detailed comparative analysis of success and failure in service delivery per case study.

5

Explaining Success and Failure in Service Delivery

5.1 Introduction

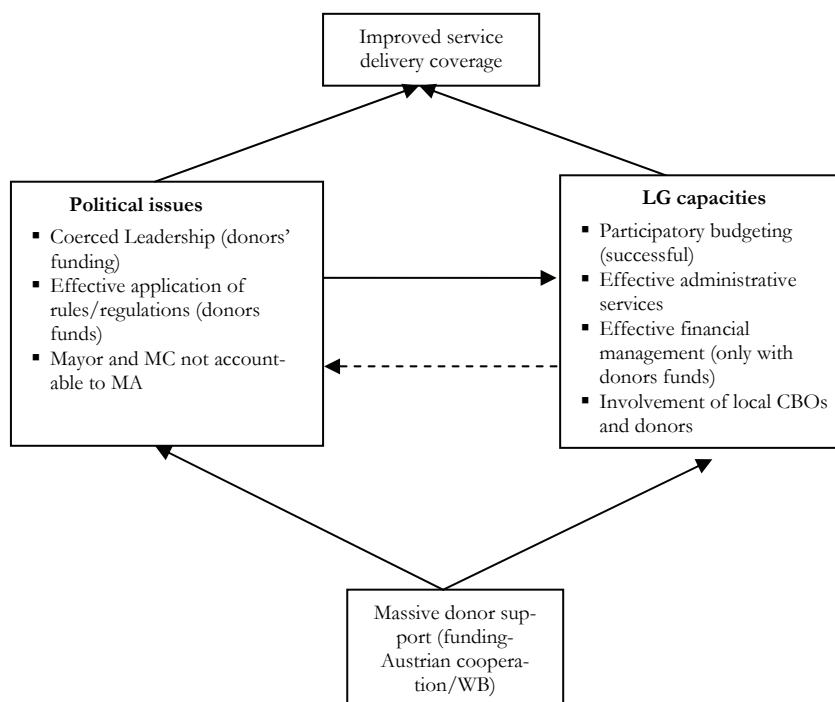
The previous chapter identified and studied each factor separately while this chapter explains what triggered success or failure in each of the five municipalities studied. It examines the relative importance and interconnections between independent variables and their effects on improvements or failure in service delivery coverage in each municipality. This chapter also deals with some previously unexpected external factors thought to have contributed to improvements with these communities. The chapter also indicates successful cases of service delivery coverage namely Dondo, Matola and Manhiça to a lesser extent, and cases of failure in Nacala-Porto and Chimoio. As such, the outline of this chapter is as follows: Section 5.2 explains Contradictions of Financial Management in Dondo; 5.3 discusses the Role of Leadership in Matola; Section 5.4 interprets Service Delivery Coverage in the Municipality of Manhiça; Section 5.5 deals with Service Delivery Coverage in the Municipality of Nacala-Porto; Section 5.6 discusses Ineffective Service Delivery in the Municipality of Chimoio; and Section 5.8 concludes the chapter.

5.2 Contradictions of Financial Management in Dondo

5.2.1 General

As mentioned in chapter 4, Dondo is first in service delivery mainly due to participatory budgeting. The figures below show how effective participatory budgeting has improved living conditions and, how unsuccessful projects funded by LG's own resources have been to locals.

Figure 5.1
The case of Dondo



Source: Interviews with leadership, donors and locals, and questionnaires delivered to local officials in Dondo.

5.2.2 Success of participatory budgeting

Figure 5.1 shows how Dondo became a positive example of participatory budgeting success for Mozambique and for the entire Southern African region. The Austrian Cooperation Agency and the WB selected two municipalities (Dondo and Marromeu) among 33 municipalities and three districts in the country to train local officials and local communities (through their leaders) in participatory approaches to planning. This was a pilot project that other municipalities could replicate. According to the Head of the Austrian Cooperation Agency in the field, interviewed in November 2007, there is a common belief that policies better target

community needs if the community is involved in priority project selection. As stated, Dondo received considerable funding from donors for the implementation of participatory budgeting. At an organizational level, funding was available for infrastructure, equipment and human resource development (training). In 2005, Dondo received ten times more funds from donors (the Austrian Cooperation Agency and WB) than its local budget, more than any other municipality in the country. To ensure effective management of funds, the Austrian Cooperation Agency opened an office and coordinated the entire participatory budgeting process with the MC. Donors demanded the leadership in Dondo (mayor and councillors) to involve communities in priority project selection as a condition for funding. Donors insisted these terms were non-negotiable and communities confirmed their involvement in the process stating that they felt as part of the entire process. Although pressure from donors was the source of effective participatory budgeting, it seems that local leadership and communities claimed ownership of the process. The independent variable effective leadership is crucial for the entire process; pressure from donors has been useful for such improvement in leadership. Although this leadership effectiveness is questionable as a condition for funding and not from its own political will and commitment to address local needs, it still contributed to the improvements witnessed. The study's theoretical framework supports the relevance of leadership for improvements in service delivery and it is crucial for effective development policies. As leadership is central to politics and government, it is a dominant force for good governance and performance of institutions. This requires them to set values for subordinates to achieve. Locals confirmed that their mayor was experienced, strong and able to represent their municipality effectively. As there was pressure on leadership to involve communities in decision-making, another crucial independent variable plays an important role here namely a more democratic and effective capacity to plan and make-decisions. Donors together with LG audited accounts and followed procurement procedures thoroughly. As mentioned in the previous chapters, lack of transparency and corruption in the process from LG meant repetition in procurement procedures. Financial control and auditing systems of donor funds helped prevent mismanagement, as donors followed the entire process thoroughly from tendering to delivery of the final product and audited accounts. This also indicates that the financial management capacity for donors'

funds was efficient. Donors have built and equipped a new MA building, made improvements to a street that had drainage problems and contributed to improvements in equipment and human resources development (training) in the Administration Department and Planning and Budgeting Sections. According to the Report on Transparency, Risk and Opportunities for Corruption in six Mozambican Municipalities (2007), the administrative services in Dondo have improved, but it fails to explain whether this was because of donors or a legacy from the past. As such, the LG administrative capacity has been strengthened. Nevertheless, capacity-building initiatives have played an important role in the MC and particularly in the Departments of Administration and Finance. The local communities, local leadership, municipal officials and donors all agreed that there have been visible improvements in the lives of the residents of Dondo. Local communities confirmed their satisfaction with participatory budgeting and service delivery coverage during interviews, and the researcher witnessed some improvements during fieldwork. Success also seemed triggered by external factors such as geographical location; Dondo is only 20 km from Beira, Mozambique's second largest city and port. Dondo benefits from the expansion and development in Beira. Soon, Dondo and Beira will likely merge into a single metropolitan area. Dondo also benefits from infrastructure (railway and highway) built along the Beira Development Corridor, which passes through the municipality and has considerable impact in the development of the municipality.

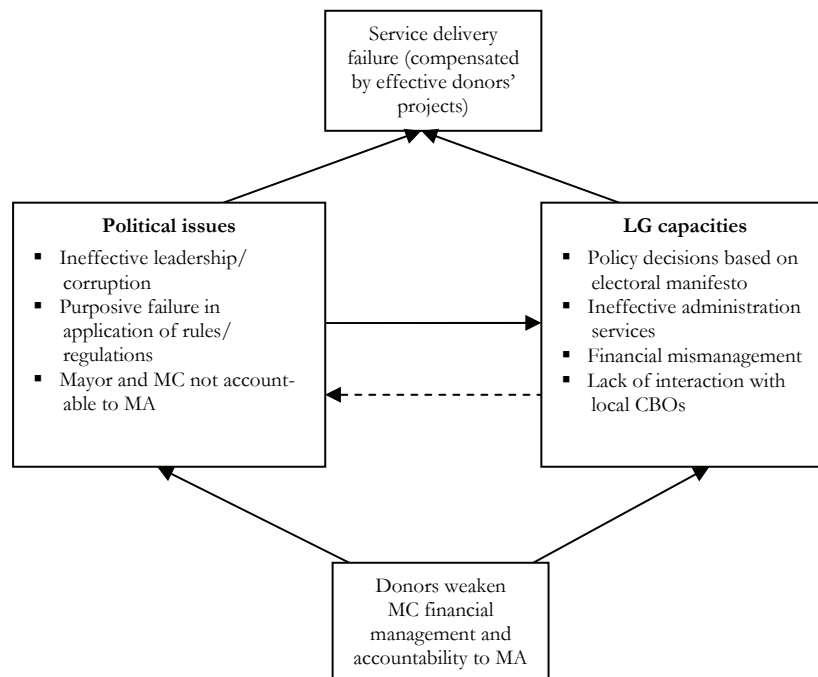
Although in Dondo, donor funding is successful, it is unsustainable over time, because the funding and eventually participatory budgeting will cease when the donors are gone. Only 4.7 per cent of total revenue in Dondo in 2005 was collected locally because of problems in revenue collection, how could the municipality survive without CG (39.59 per cent) and particularly donors' support (55.7 per cent) to its local budget? In 2006, Dondo's annual local revenue per capita, including donor funds and CG transfers, was more than twice the amount of each of the other four municipalities studied. For Dondo to be sustainable after donors leave, the local tax base needs strengthening, either through improvements in local tax collection, an issue that seems to have been purposefully forgotten by local leadership or through local infrastructure development for more taxation. It is clear that markets are being rehabilitated for improved taxation, but lack of interest from leadership

in improving LG revenue collection and more interest in donors funding, may result in serious future financial problems for the municipality (Report on 'Transparency, Risk and Opportunities for Corruption in 6 Mozambican Municipalities 2007).

5.2.3 Limitations in the management of own financial resources

Although Dondo has been successful in service delivery coverage, figure 5.2 presents the limitations faced by the LG in managing its own financial resources.

Figure 5.2
Limitations in the management of LG own financial resources in Dondo



Source: Interviews with leadership and locals, and questionnaires delivered to local officials in Dondo.

Unlike donors' funds, LG funds remain ineffectively used in service delivery. Apart from donations, Dondo collects local revenue and receives transfers from CG. The most important ones are the CG Compensation Grant and CG Local Investment Initiative Grant. The MC controls and manages both locally collected revenue and CG transfers. Contrary to donor-funded projects, the same effective leadership for donors funded projects becomes ineffective with LG own revenue. The independent variable leadership is weaker in this regard. There is little interest in improving local tax collection and financial management because leadership is more interested in its relationship with donors. Local financial management capacity and accountability are ineffective. Due to this interest in donations, the relationship between the MC and MA has deteriorated to the extent that the MC is rarely accountable to the MA, in violation of the law. An MA member (Report on Transparency, Risks and Opportunities for Corruption in 6 Mozambican Municipalities 2007) confirmed this lack of accountability. The electoral manifesto is the basis of priority project selection for LG funds and the decision-making process is top-down and involves local communities in decision-making only prior to the electoral period. This means that there is lack of an inclusive capacity to plan and make decisions. The internal auditing procedures of both CG and MA are ineffective and procurement procedures are not transparent. CG does not have capacity to audit LG accounts regularly. Regarding the failure of internal accountability procedures, the Mayor and his councillors overpower the MA and are not accountable to it. The Mayor and MC regular policy implementation and expenditure reports in MA sessions rarely take place. Sometimes irregularities are detected by CG auditors and recommendations for improvements are issued, but they are rarely applied by the municipality. In most cases, CG only uses persuasion to help improve the situation, which leads to failure and lack of municipal accountability. There are also no strict sanctions applied to fund mismanagement and corruption. There seems to be lack of interest from leadership in improving the local resource management, therefore enabling corruption. Tax collectors take monies collected home with them each day and turn them in to the MC the next day, a temptation toward embezzlement may occur in this situation. The law requires LG to place reports on locally collected funds at the main MC building for public awareness. However, this only happens occasionally and delays and omissions are frequent. With LG funded projects, there is no com-

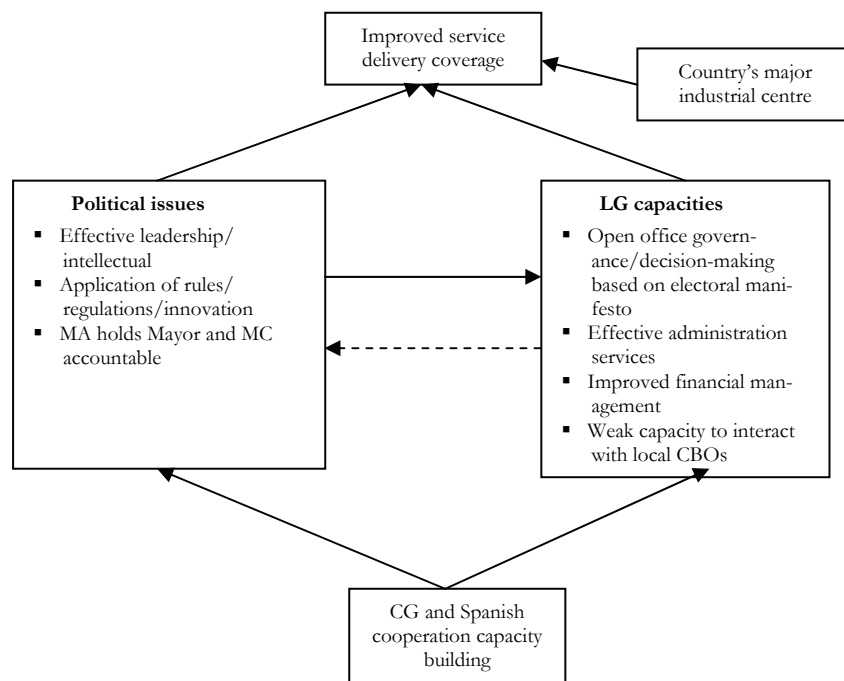
munity involvement in priority project selection, this means that there is a weak capacity to plan and make decisions, there is financial mismanagement, there are ineffective administrative services and consequently failure in service delivery. Both political factors and LG capacities are weak with LG funds. Even with this negative effect from LG funded projects, effective donor projects compensate for this failure and locals seem to know little about this problem. One wonders what will be left of participatory budgeting and service delivery when donors leave.

5.2.4 Comparison with Porto Alegre

Donors' true intentions behind participatory budgeting in Dondo remain unclear despite the success of the process. Although Dondo is an example of participatory budgeting success, it is limited compared to participatory budgeting in Porto Alegre. In Dondo, it was an institutionalized process started and enforced by donors. While in Porto Alegre, LG together with local social movements started participatory budgeting (PB). Despite several attempts by opposition in the MC who proposed its formalization, it was not institutionalized (Chavez 2004). According to Cordeiro in Bruce (2004), change in Porto Alegre began with tax reform that helped overcome tax evasion. In Dondo, on the contrary, local revenue collection remains a serious problem. Donors seem disinterested in helping LG improve its own financial management. The Participatory Budgeting Council of Porto Alegre was the central body of the PB process and it was outside the municipal institutional structure, while in Dondo donors and the MC were in charge of the entire PB process. In Porto Alegre, information on budget amounts was available to locals and they could see where and how the money was spent. In Dondo only donors and LG knew the exact budget amounts. In Porto Alegre LG attended deliberations on setting priorities in delegates' assemblies, but did not vote. In Dondo, LG refined community demands and dictated actions based on available funds. The work schedule developed in Porto Alegre in the context of participatory budgeting, exhibits an impressive degree of both efficiency and accountability (Chavez 2004). Dondo saw much the same albeit on a lower scale. The Porto Alegre experience seems sustainable because it is rooted in local social movements, unavoidable constant institutional adjustment, success in tax reform and improved infrastructure. Donors ignored all these things in Dondo, as they continued to dominate the entire process. Some consider participa-

tory budgeting to be a partial technique and ignore the important political side of it. Because of its success, the Porto Alegre experience came to be recognized by the United Nations as an exemplary development method to be replicated globally (Cordero in Bruce 2004). In the other four municipalities studied, local communities had little involvement in planning.

Figure 5.3
The case of Matola and its limitations



Source: Interviews with leadership, donors and locals and questionnaires delivered to local officials in Matola.

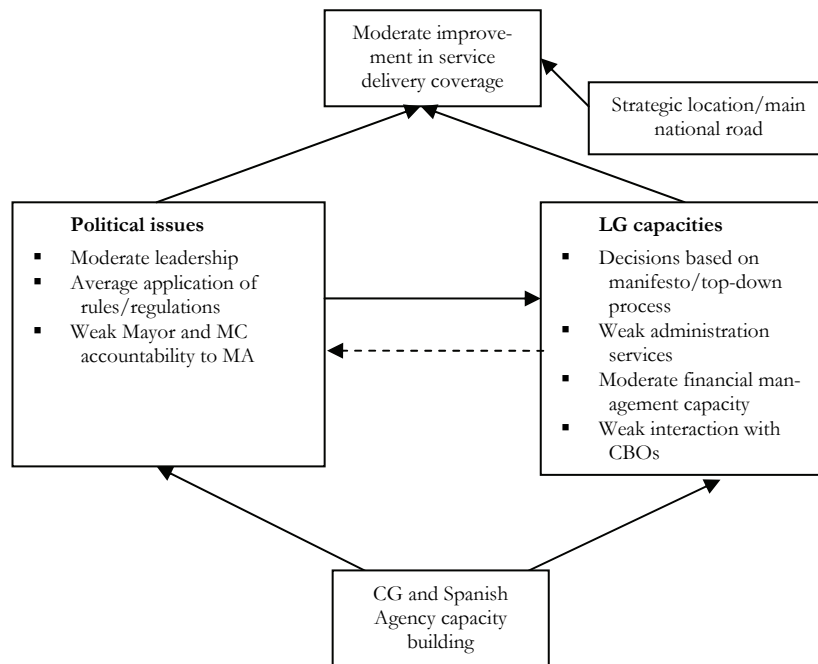
5.3 Role of Leadership in Matola

Matola took a different trajectory as effective leadership with political will and commitment to address local community needs triggered suc-

cess. In this case the independent variable leadership was very effective. Like Manhiça, Chimoio and Nacala-Porto, Matola has no direct funding from donors. Matola obtains funds through locally collected revenue and CG transfers such as the Compensation and the Local Investment Initiative Grants. It is the richest municipality studied in terms of infrastructure and local revenue. Matola's annual local revenue per capita in 2006, excluding CG transfers, was 63.85 MZM per capita, (about USD 2.5). More improvements have been made in tax collection in the following years (Councillor of the Department of Finance interviewed in April 2007). It also spent less than its total budget 96.94 per cent in the same year. Locals considered the mayor effective, 'a shaker', a visionary and an intellectual leader committed to improving the lives of locals and most think he appointed effective councillors. Although most local policies derived from the electoral manifesto, Matola had top-down and bottom-up processes of decision-making. This means that for policies based on the electoral manifesto, top-down approaches for their elaboration and implementation were common. The argument was that local communities had already voted for the manifesto, so the following step for the MC was to plan and implement its policies, after MA deliberations. There was some community involvement in decision-making through MA members and through the open-office governance policy enacted by the mayor, but local participation in decision-making was not as effective and regulated as in Dondo. The independent variable capacity to plan and make decisions was not as democratic or as good as Dondo's. Contrary to Dondo, in Matola skilled LG officials undertake local planning with priority project setting from MA or MC, which sometimes gather inputs from local communities. Despite limited community participation compared to Dondo, local leadership targeted local priorities. The little CBO involvement in the community is apolitical and lacks resources, leaving them open to easy manipulation by the party in power. One important reason why administrative capacity was efficient in Matola is that the mayor hired qualified personnel, some of whom had either university degrees or experience in administration. Because most officials and councillors were better qualified, they seemed to have a better understanding of local laws and were better able to apply them. In an interview held in February 2007, the Councillor of Administration of Matola argued that despite limited autonomy in financial management of CG transfers assigned to specific areas, often the municipality uses the funds

for other purposes then it provides CG with sound justifications. Pressure from the Mayor and MA has shown some improvement in local financial management and they have detected and improved some unclear procurement procedures. This means that the financial management capacity of Matola has been strengthened. Because the mayor and the majority in the MA (41 against 5 for the opposition) are from Frelimo, the national ruling party, party ties weakened MA effectiveness in holding the MC accountable. Nonetheless, the MA efforts to respond to community needs by pressuring the local executive for results appeared effective. Therefore, the influence of the ruling political party on the executive was positive. Although local communities demanded more from their mayor, they confirmed their satisfaction with service delivery coverage and there are visible positive changes in the municipality. Some external factors have also contributed to improvements in the living conditions in Matola: its location in the Maputo Development Corridor and its high level of infrastructure development, which make Matola the major industrial area in the country. Matola is growing rapidly; this has had a positive effect in the lives of locals. Local leadership has contributed in simplifying procedures, particularly in the provision of land, to attract more investment. Compared to Dondo, Matola with its leadership political will and commitment to focus on local priorities seems more sustainable and successful than Dondo in the end, as long as the current Mayor of Dondo remains as ineffective and perhaps, corrupt as at present with LG funds. In conclusion, although the political factor leadership is important, it can have a negative influence and hinder improvements in service delivery coverage as in Nacala-Porto and Chimoio (see sections below).

Figure 5.4
Service delivery coverage in Manhiça



Source: Interviews with leadership, donors and locals, and questionnaires delivered to local officials in Manhiça.

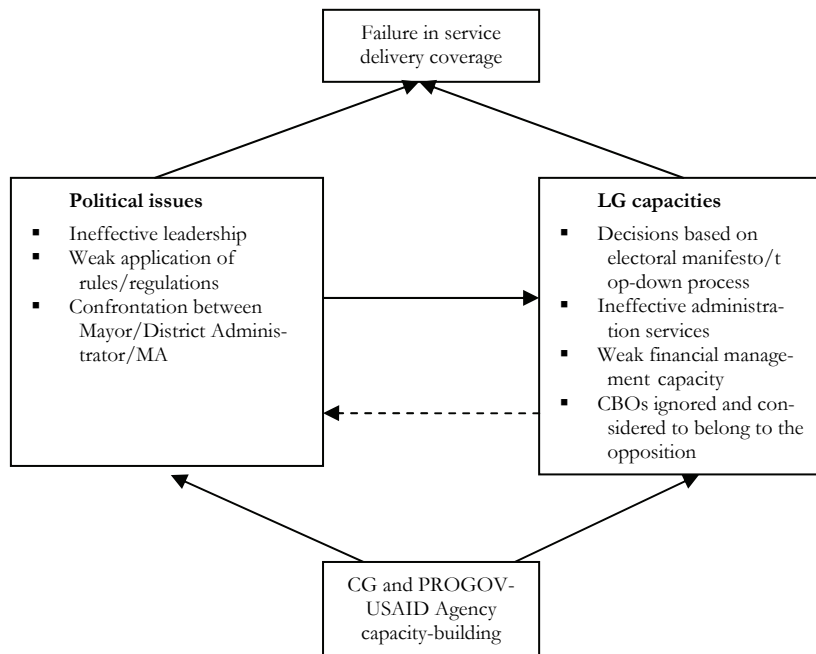
5.4 Service Delivery in Manhiça

Manhiça ranked third in this study, has witnessed some improvements in service delivery coverage. Although it has an international funding agency, the Spanish Cooperation Agency, it does not receive cash funds from donors. The Spanish Cooperation Agency maintains offices in both Manhiça and Matola to coordinate support. Like Matola, Chimoio and Nacala-Porto, Manhiça receives revenue only from locally collected taxes, charges and CG transfers, the Compensation Grant and the Local Investment Initiative Grant. It has a weak capacity to collect local revenue (its annual local revenue per capita in 2006 was 55.45 MZM (a little more than USD 2 for each inhabitant), and it spent 110.8 per cent of its

total annual budget in that year. Although the local communities within Manhiça agreed that their Mayor has moderate capacity to lead, they say that he has played a major role in the improvements witnessed in service delivery coverage. This shows that the independent variable leadership in Manhiça was effective. Community involvement in priority project selection helped draft the local political electoral manifesto before elections. The mayor, councillors or MA members hold irregular meetings all around the municipality to gather input for decision-making, which helps target community priorities. As in Matola, CBOs or NGOs in Manhiça were never involved in decision-making. In this context, the local capacity to plan and make decisions was not inclusive and therefore ineffective. The MC administrative capacity was also ineffective compared to Dondo and Matola; there was lack of qualified staff and work materials. Lack of qualified staff also affected councillors who were overloaded and rarely cleared petitions on time. The reluctance of some councillors to delegate key functions caused some of these high workloads. These limitations in administration affected policy implementation negatively. Apart from lack of qualified staff, lack of effective knowledge of LG legislation led to limitations in the application of laws and regulations. Unlike Matola, Manhiça only used CG transfers for assigned purposes, and when asked if the money could be used for other purposes, the Head of the Department of Finances interviewed in April 2007, declared vehemently that it was prohibited by law. While in Matola, the Councillor of Administration spoke about flexibility and some discretion in applying funds and finding sound justifications acceptable to the Ministry of Finance, in Manhiça the Councillor of Finance was less flexible. This confirms that the more knowledge of LG rules and regulations, this relates to the political factor institutional set-up, the more space to solve local problems an official has, and this explains the limitations seen in Manhiça. Local financial management was moderate and procurement procedures were not always transparent. The CG (irregular) and MC internal auditing systems were inefficient and accountability of the Mayor and MC to the MA seemed ineffective because of party ties. This means that the LG financial management capacity was not as effective as that of Dondo and Matola. Once again, lack of effective auditing and accountability leads to temptations to embezzle scarce funds that could be reverted in favour of local priorities. Manhiça is the poorest of all five municipalities studied, with a lower level of infrastructure and economic

development. It is a rural municipality along the main national road with good development prospects due to its strategic location. The local communities seem happy with current development, stating that apart from some improvements in service delivery coverage, the Mayor has brought positive changes that led to the present appearance of the town. Nevertheless, they still needed social infrastructure (secondary schools and hospitals) and improved water and electricity supply. Two external factors helped drive local development in Manhica. The strategic location of the municipality along the main national road and its size, a small rural town with only a couple of streets and a handful of houses, shops, restaurants and hotels, which may also have made it more manageable for the improvements witnessed, at least in the town itself.

Figure 5.5
Service delivery coverage in Nacala-Porto



Source: Interviews with leadership, donors and locals, and questionnaires delivered to local officials in Nacala-Porto.

5.5 Service Delivery in Nacala-Porto

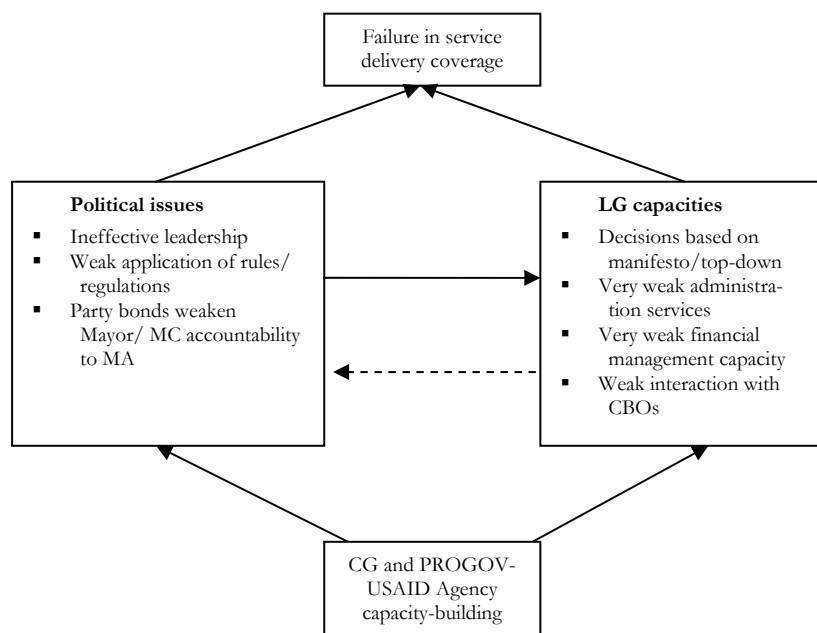
Nacala-Porto did not improve service delivery significantly. Like Matola, Manhiça and Chimoio, Nacala-Porto does not receive funds from donors, it relies on locally collected revenue and CG transfers. Although its capacity to collect local revenue is weak (annual local revenue per capita in 2006 was 56.12 MZM a little more than USD 2 per capita), it spent slightly more, 102.7 per cent of its total annual budget. This means that there was a weak financial management capacity. Nacala-Porto is the only municipality of the five studied ruled by the main national opposition party Renamo, where it had the majority of seats in the MA, 23 against 15 for the main local opposition party Frelimo and one for Osina, a local association. Nonetheless, Renamo failed to use this majority to promote effective policy choices that respond to local community priorities. Perhaps the conflicts between the Mayor and the District Administrator and the confrontational mood at the MA sessions with the Mayor may have weakened local leadership. Since the MA is the local legislative body that passes laws and chooses policies for implementation, confrontation at this level has negatively affected deliberation and decision-making as well as the capacity to hold the MC accountable, a crucial mechanism to improve delivery coverage. In this context, there is an indication that a more inclusive local capacity to plan and make decisions did not exist. The conflict between the Mayor and the District Administrator, the representative of the CG in the District of Nacala, may also have crippled coordination, exchange of valuable information, mutual support and implementation of policies. Coordination of activities between the MC and the District Directorates, particularly in shared areas such as education and health were completely absent. Local financial management capacity and procurement procedures were also deficient along with local administrative capacity. To confirm this, a senior CG official was sent to stay in Nacala-Porto and control LG expenditure. This means that the local financial management autonomy diminished, but it also may have contributed to a more effective use of local finances. This important political factor indicates that the relationship between the CG and Nacala-Porto was unhealthy and not conducive to an effective local cohabitation and development. In this context, Nacala-Porto loses a valuable point compared to the other municipalities studied, which had good relationships with CG. In Nacala-Porto the procedures for tendering, contracting and acquisition of goods and services

were also ineffective, further weakening local financial management capacity. The report on Transparency, Risk Areas and Opportunities for Corruption in 6 Mozambican Municipalities (2007) states that the Department of Administration and Finances usually did the tendering and contracting without following open procedures. Tendering and contracting procedures that are not transparent may produce low quality results due to possible corrupt deals made with contractors, which frequently undermine provision of durable goods and effective services. Another irregularity that affected local finances was the hiring of 89 part-time officials by the mayor from his political party, some near the age of retirement, without submitting them to a public sector entrance exam. This diverted local funds from resolving local community problems to paying his fellow party members. Like Matola, Chimoio and Manhica, Nacala-Porto made its policy decisions based on the electoral manifesto. As the decision-making process was top-down, local communities were rarely involved and CBOs were considered part of the main opposition party, Frelimo, and ignored when making local development policies. This is another weakness related to the lack of an effective capacity to plan and make decisions using participatory approaches to governance. The study concludes that failure and community dissatisfaction with service delivery coverage in Nacala-Porto, was mainly due to the shortcomings discussed above. The impact of the third major Mozambican port in Nacala-Porto and the Nacala Development Corridor seems under-exploited by the MC.

5.6 Ineffective Service Delivery in Chimoio

In Chimoio, like Matola, Manhica and Nacala-Porto, the municipality does not receive funds from donors. It relies on its own locally collected revenue and on CG transfers. Chimoio does not have an effective capacity to collect local revenue (annual local revenue per capita in 2006 was 55.78 MZM). The political factor local leadership is weak, lacks vision and is unable to deliver. The Mayor lost some trust from local communities, MA members and to some extent, the respect of CG because of his controversial salary, which was more than any other mayor in the country had, and because of service delivery coverage failure. The municipality has deteriorated from the cleanest city in the nation to the dirtiest one. The Report on Transparency, Risk Areas and Opportunities for

Figure 5.6
Ineffective service delivery coverage in Chimoio



Source: Interviews with leadership, donors and locals, and questionnaires delivered to local officials in Chimoio.

Corruption in 6 Mozambican Municipalities (2007) states that the local MA was well organized, constructive and tried to hold the MC accountable, but evidence from the field shows the contrary and even the results of service delivery coverage were poor. This may be because political party ties weakened accountability between the MC and MA, as the main national political party rules in the municipality and has the majority of seats in the local MA (24 against 14 for the opposition). This means that there was a weak influence of the ruling party in decision-making. Local processes of decision-making were top-down and based on the electoral manifesto. This distance from locals in decision-making, means projects rarely target community priorities and leaders are rarely held accountable.

This also indicates that the local capacity to plan and make decisions was not participatory and failed in responding to local needs and wants. The local administration capacity was inefficient due to lack of qualified staff, work materials and infrastructure. Local councillors shared offices, desks and chairs, which contributed to lack of motivation to work and these shortages were used to justify delivery failures. The local financial management capacity was inefficient and tendering and contracting procedures were not transparent, thus, goods and services delivered were not durable and of low quality. Local streets that were recently rehabilitated with poor quality materials did not last and potholes were soon visible. The Report on Transparency Risk Areas and Opportunities for Corruption in six Mozambican Municipalities (2007) indicates that local tax collection, particularly in the open markets was deficient. This was intentional so that key official/s in the MC could embezzle funds. The MC did even less to benefit from the Beira Development Corridor, which passes through Chimoio. Nevertheless some infrastructure such as the railway and highway in this corridor has contributed to the development of the municipality.

5.7 Conclusion

The study concludes that although participatory budgeting seems successful in Dondo, it lacked sustainability because the administration did not create such necessary conditions. The good management of donor funds not only helped hide the mismanagement of LG funds, but also enabled and reinforced it. In the same way, by ensuring an 'adequate' amount of corruption, the mismanagement of LG funds created the conditions under which the exemplary use of donor funds could thrive. The relationship between the two is therefore functional, rather than a simple coincidence.

Where leadership was weak, service delivery coverage results were poor. Chimoio and Nacala-Porto illustrate this point. Apart from the political factor leadership, other variables such as administrative and financial management capacity also played a role in the improvements witnessed. Although administrative and financial management capacity was better in Dondo concerning donors' projects and in Matola, due to pressure from the local Mayor and MA, it was not effective in Dondo concerning LG funds and in Chimoio and Nacala-Porto too. Procure-

ment procedures were not transparent. Services delivered to the MC were of poor quality. The study found that CG and LG internal auditing and accountability mechanisms were ineffective and stimulated corruption, due to lack of effective measures to deal with mismanagement of financial resources. Despite the fact that the decentralization process is still a new phenomenon in Mozambique, little has been done to improve LG capacity to collect local revenue. None of the municipalities studied collected more than 50 per cent of expenditures, therefore municipalities still depend on CG transfers and donors' funds heavily. The study concludes that although there have been capacity-building initiatives delivered by CG, donors and NGOs to the municipalities studied, they still lack qualified human resources, work materials, equipment and infrastructure. Among the municipalities studied, it seems that Dondo benefited most from capacity-building initiatives whether in human, material or financial resources.

It is also clear that where there was lack of effective leadership committed to respond to local community priorities, there was failure in service delivery coverage. Donors in Dondo targeted local leadership and pressured it to involve local communities in participatory budgeting as a condition for funding and monitored, audited and held the local mayor and the MC accountable for their actions. Space for corruption was limited and even tendering and contracting procedures for the delivery of goods and services for the MC was monitored, and therefore transparent. Although Dondo's effective leadership did not originate from its own political will and commitment to address local communities' demands, it was crucial for the improvements made. Despite the fact that this experience was successful, as mentioned above, it lacked sustainability as the LG and donors did not create the necessary conditions for it.

Another example of effective leadership that led to positive results in service delivery coverage is Matola. As the local leader was committed to local development, he demanded results from his councillors and officials. Apart from pressure from the local mayor, the local MA was also well organized, constructive and demanded results from the MC. This is a clear indication of an effective influence of the ruling party on decision-making. This led to positive changes in local living conditions. Local leadership hired qualified staff including councillors with university degrees, who had the skills and could effectively translate local policies into effective results. This is another positive point, an efficient administra-

tive capacity. Dondo sets an example of community participation for all of Southern Africa. Participatory budgeting has improved the lives of locals, an indication of an effective capacity to plan and make decisions, but lacks sustainability. The Mayor of Matola applied another innovation, open office governance for direct contact with his community members, a good example that other mayors could follow. The municipalities of Manhica, Nacala-Porto and Chimoio failed in applying participatory approaches to governance. It was also concluded that leadership is perhaps the most important factor, because it is vital to raise LG capacities and overcome political problems.

Regarding the political factor institutional set up, although the Local Government Act (1997), its laws, rules and regulations apply to all Mozambican municipalities, some municipalities had more discretionary power than others did, mainly due to the higher qualifications and experience of key officials and staff members, including MA members. They easily interpreted the legislation and seemed to be more flexible in financial decisions. As most of the rules and regulations applied in the Administration, Human Resources and Finance Departments in the municipalities are for the entire State apparatus, it is urgent to adopt more LG rules and regulations, clear and specific enough for their powers, functions and responsibilities. Other important aspects are the availability of funds, efficient financial management capacity, transparent tendering and contracting procedures. Donors in Dondo and the leadership of Matola demanded efficiency in these areas. In almost all municipalities, studied procurement procedures were not transparent enough, leading to poor quality service delivery. Inefficient financial management capacity seems fuelled by weak CG auditing and accountability. Party ties played a major role in this policy. Mozambican municipalities will not be effective in service delivery coverage if their internal and CG auditing and accountability systems continue as present. The municipal institutional set-up is highly progressive on paper, but incomplete in practice because, as Chabal and Daloz (1999) named it, 'the institutionalization of disorder' enables corruption. However, it is necessary for protagonists to internalize rules and regulations for them to be more effective, and there is considerable room for improvements.

The capacity-building initiatives delivered to the municipalities studied also improved the skills of key personnel in the departments of administration, finances (planning and budgeting sections) and urban territorial

settlement. That is why the administrative capacity in Matola and Dondo produced effective results; other municipalities can learn and replicate their success. Equipment, work conditions and materials are important for effective delivery, so planning to acquire such items and mobilization of the respective funding must top the agenda of politicians and managers. The capacity-building initiatives were delivered at different degrees in human resources development, institutional (participatory planning) and organizational development (infrastructure and equipment). The municipalities studied may not be sustainable in the long-term if capacity-building initiatives do not improve their local tax base. It is also important to remember that capacity-building is only effective if used when able officials and councillors apply their improved abilities.

In terms of capacity to convene, only Dondo actively involved CBOs and local associations in decision-making. Although Matola had contacts with foreign actors (other municipalities), it failed to involve local CBOs and associations in decision-making. In Nacala-Porto, CBOs and local associations were considered part of the opposition party and were barred from participating in local governance. Only in Dondo, among the five municipalities studied, was there an effective LG capacity to convene other actors to the local development.

6

Concluding Reflections on Decentralization and Responsive Government

6.1 Introduction

The previous empirical chapters provided fieldwork evidence through a comparative analysis of the municipalities studied and explained successes and failures per case study. This chapter reflects on the theories of decentralization and responsive government addressed in the literature review of this thesis. The main argument of these theories is that because LG is closer to local communities, it is in a better position to respond effectively to their priorities than the central government (CG), which is more concerned with broader geographical areas and national issues. This proximity enables local communities to interact with LG and voice their development concerns. The chapter endeavours to match theory with evidence and to find salient issues not raised in the theories discussed in this thesis. Concerning such issues, in section 6.2, the study discusses Political Party Competition and Participation; Section 6.3 addresses the issue on Civil Society Organizations' Struggle for Survival; Section 6.4 discusses the Donors' Game and Local Leadership; Section 6.5 discusses the Central Government's Resistance to Change; Section 6.6 deals with the aspect of Ineffective Human Resource Management; Section 6.7 discusses Fiscal Decentralization and Patronage; Section 6.8 addresses the Failure of Capacity-Building initiatives; Section 6.9 discusses Leadership and Corruption; and finally Section 6.10 gives the conclusion of the study, in which a summary of answers to the research questions is provided.

6.2 Political Competition and Participation

According to Bratton and Walle (1997), two politico-institutional dimensions distinguish regimes: the extent of political party competition and the degree of political participation. In the five municipalities studied, most evidence shows the absence of both political party competition and effective participation. In this regard, on the one hand, with the exception of Dondo and Matola where in the former, there is an effective capacity to plan and make-decisions through a participatory budgeting process, and in the latter an effective influence of the mayor and the party in power in decision-making, municipal policies do not effectively reflect community priorities. For that reason, locals can hardly get rid of self-interested politicians due to lack of party competition. On the other hand, lack of political competition means that there is no mechanism that can put pressure on the ruling party by threatening to seize power if it fails to deliver. Lack of political party competition and participation in Mozambique can lead to problems of legitimacy and effectiveness of LG decision-making processes and the effects of such decisions. Borrowing from Haus et al. (2005), deficits in legitimacy may relate to loss of trust in problem-solving and interest-mediating institutions because the problems addressed may not reflect real community priorities. The less successful cases such as Nacala-Porto and Chimoio illustrate deficits in legitimacy. Lack of government capacity to implement decisions taken by representative bodies or favourable policy objectives although related to the above, may reflect deficits in effectiveness. Without a challenging opposition and local community participation, this can contribute to lack of positive accountability mechanisms to pressure CG to deliver services effectively. Lack of effectiveness in responding to local community demands, may also lead to lack of legitimacy, lack of trust in politicians means low voter turnout. Evidence shows that participation in elections is diminishing due to such lack of trust. The reason for such lack of political competition and participation is, as Cranenburgh in Salih (2003) and Chabal and Daloz (1999) state; African politics remain affected by personal and clientelistic power relationships. The ruling party has the majority of seats in four of the five municipalities researched and in most of the country; so only its policy decisions are adopted. As a political factor, lack of an effective influence of political parties in decision-making, indicates that the majority regime shows some limitations, as it is inappropriately used by the party in power to stifle political party competi-

tion. Most importantly, due to the informalization of politics, the Electoral Law and the procedures for participation in elections are manipulated to such an extent that they limit the possibility of other parties to compete. For instance, some presidential candidates and parties were restricted from participating where the party in power expected defeat. It seems that the entire voting system is manipulated to permit fraud. Election observers and members of the parties competing are not allowed to follow the counting of votes. In this case, the principle that the existence of different parties makes for a powerful engine to enforce accountability (Chanie 2007) is also rejected under such circumstances and a single-party system is re-emerging where a multi-party democracy is claimed to be implanted. This extends to the LG capacity to plan and make decisions involving local communities, with the exception of Dondo and, to some extent Matola. Borrowing from Chaufan (1983: 88), participation may have won the war of words, but beyond the rhetoric, its success is less evident in the other three municipalities studied. For instance, Chimoio created a community consultative forum, but it was only active for one year and in Nacala-Porto, CBOs were considered part of the opposition and therefore substituted. This shows how these two less successful municipalities did not have an inclusive and effective capacity to plan and make decisions. As such, participation is seen as a threat to powerful interests, so while the discourse on participation is applauded and is explicitly incorporated in the Local Government Act; real encounter with communities is not. In these municipalities, an engineering vision dominates policy decisions. Locals must be careful about what participation means in these settings, because as Cornwall (2002: 8) warns, the spaces made available by the powerful may be bounded to permit limited citizen influence and shift dissent through gatekeepers, who speak for, but not with those, they claim to represent. To remedy such situations in most of the municipalities researched where the capacity to plan and make decisions through participatory approaches is weak, Brown in Hickey and Mohan (2004) suggests that 'trusted facilitators' could personally invite (select) participants, but the criteria for such trust are not identified. Returning to the political factor influence of political parties in decision-making or specifically political party competition, at the level of policy set-up, to improve accountability, an option could be Lijphart's (1999a) model of consensus democracy, which is regarded as performing better than the majority democracy. The advantage of such a

model is that power is shared, dispersed or restrained in a variety of ways, providing for a balance of power (Lijphart 1999a: 34). Within the same scope, Cranenburgh in Salih (2003) argues that Lijphart's model of consensus democracy is particularly relevant for Africa, most importantly in view of ethnic, religious and linguistic heterogeneity in most African States. This also applies to the municipalities studied where besides Nacala-Porto; the other municipalities have two or more ethnic, linguistic and religious groups. In such circumstances, only by including the diverse ethnic groups into the political system is there any chance of preventing conflict. Another option, also at the level of policy set-up within the scope of the factor influence of political parties in decision-making, could be a 'rigid' Constitution, defined as requiring an extraordinary majority in parliament for changes to be made. This may be a helpful mechanism for spreading power, or checking the power of the majority by giving a minority a certain veto position (Cranenburgh in Salih 2003). Keeping in mind that the greatest problem stifling political competition is lack of transparent procedures for participation in elections and effective voting systems, pressure from donors, civil society, political parties and from the media on CG to improve such procedures and systems, prior to elections, may be helpful in increasing political party competition and participation in elections.

6.3 Civil Society Organizations' Struggle for Survival

Although recent literature on local governance stresses the relevance of participatory approaches to governance in contributing to improvements in decision-making and implementation, the role of CBOs in the municipalities researched is limited. This means that besides Dondo and to some extent Matola, the capacity to plan and make decisions is weak in the other three municipalities. According to Helmsing (2001), CBOs operate informally, outside the LG system, but can become a partner to it. In favourable situations (McLean 2005) states that, a link between CBOs and LG can improve local governance, but there are also dangers from such links. For instance, most CBOs/local associations, in all five municipalities look for better relations with the party in power, not only for resources, but also for recognition. They compete against each other for scarce resources because there is no coordinating body that can better organize them and their work. Although they have played a major role in fighting HIV/AIDS, they have spent more time struggling for survival.

Thus, they can easily become manipulated and fulfil the interests of the parties in power. Stressing lack of an inclusive capacity to plan and make decisions, Helmsing (2005) argues that the danger of being co-opted exists because most CBOs in Southern Africa are hybrids; they are not fully independent from LG. This is in strong contrast to most literature, which says that CBOs should strive to be and remain independent. There are examples of CBOs such as Save the Children, World Vision, Oxfam, and others that have delivery services already outlined in their missions, goals and objectives, and most of the time they interact directly with the beneficiaries with less intervention from the LG.

6.4 Donors' Game and Local Leadership

Donors in Dondo largely ignore the assumption that development assistance projects to build capacity in developing countries must focus most on 'human development orientation'. That is to say, work with their hosts to help them identify their needs and solve their problems, rather than be project oriented whereby organizations identify the needs of host communities and mobilize resources to meet those needs (Grindle 1997: 370). This is the reason why they failed to create the necessary conditions for a sustainable participatory budgeting process in Dondo. By conditioning community involvement in priority project selection to funding LG, donors also diverted the attention of the local mayor and MC to such an extent that they are both less accountable to the MA, to which they must be by law. This weakens two political factors namely Dondo's institutional set-up and effective influence of political parties in decision-making. For the first political factor, it was due to breaking the law by not being accountable to the MA, and for the second it was because of lack of an effective influence of political parties in decision-making. Due to this dependency on donations, the local leadership is also playing the game by being accountable for donors' funds, where the auditing and accountability mechanisms are effective, but reinforcing clientelistic deals regarding LG's own funds through a purposive financial mismanagement. The interesting finding in this case is that Dondo's financial management capacity is strong with donors and weak with LG's own funds. This shows that what Chabal and Daloz (1999) calls 'instrumentalisation of disorder' is extensive from the centre to LG in Dondo. Although CG is aware of such proceedings, it purposively fails to intervene, particularly through an effective auditing system to prevent or pun-

ish such corruption, because both CG and LG in Dondo are from the same party. Again there is evidence both of weak influence of politics in decision-making

and of a weak institutional set-up. Regarding sustainability, as Mizrahi (2004) asserts, heavy dependency on donors and foreign experts contributes to failure of development assistance, Dondo shows that, since sustainable conditions for participatory budgeting (PB) are ultimately not created, this process will end when donors leave. In this regard, donor's presence there becomes indisputable. While donors may face pressure from their countries to deliver results and therefore be in more control of the entire PB process, Devarajan et al. (2001) warns that aid analysts stress that lack of ownership on the recipient side is a major cause of project failure. Dondo is no exception for the lack of sustainability mentioned above, particularly after the donors leave. By concentrating their attention on the management of their own funds, donors implicitly ratified the mismanagement of local funds as a way to reinforce the façade of good financial management of their more visible donor funds. They thus contribute to strengthening the functional, mutually reinforcing the nature of the relationship between good management of donor funds and mismanagement of local funds. The lesson in this case is that both political factors and LG capacities have a negative influence on the management of LG's own funds, and this may have extremely negative repercussions when donors are gone. The challenge now is that the local MA, civil society, local radio and CG may play roles in dealing with the mismanagement of LG's own funds, increase local revenue and accountability, help LG and locals gain ownership of PB by working with local leadership and donors to create the sustainability needed for PB after donors leave.

6.5 Central Government's Resistance to Change

Ending 16 years of civil war in Mozambique, the Rome Peace Agreement was signed in October 1992. The two contending parties, Frelimo and Renamo, agreed to hold national elections in 1994 and local elections four years later in 1998. This means that the Frelimo were forced to decentralize by its political rival Renamo, to this there was added pressure from institutions such as the WB and the IMF. The incomplete and poorly implemented decentralization policies reflect CG conformism and

resistance to deeper change, despite the fact that the Mozambican Local Government Act has most of the basic rules and regulations already showing promise towards the devolution of power, responsibilities and functions to municipalities. According to and borrowing from Chabal and Daloz (1999), CG instrumentalization of disorder leads to the prevalence of unofficial forms of exchange as well as the absence of bureaucratic professionalism, which encourages the informalization of politics in favour of patronage and clientelism. Therefore although the success of decentralization depends on specific conditions and processes (Jutting et al. in Helmsing and Aguilar 2008), a purposive neglect, particularly of specific processes such as good policy intentions and capabilities of CG, the presence of elite capture and corruption, illustrate lack of CG political will and commitment to the success of decentralization in Mozambique. In this context, CG fails to break away from old habits and processes completely due to fear of relinquishing power and resources and to losing municipalities to the opposition in fair elections. The thesis argues that the reason for this fear, in most sub-Saharan counties, relates to loss of financial control of national revenue, and consequently loss of decision-making on revenue management. Behind this lie attempts to mismanage funds and the self-interested rationality of politicians and bureaucrats (Tullock 1976). This means, as the little change witnessed was mainly due to pressure from the opposition (mainly Renamo), donors, the media and civil society, neither top politicians nor senior civil servants, who according to Siddiui (2005: 300) should have a strong urge to bring change to LG, are interested in change because they benefit from the current *status quo*. In that sense, Mozambique will lack such an urge as long as fear of the unknown prevails and change continues to be a threat to the political elite. The difficulty experienced by CG in spending the 30 million USD provided by the WB for decentralization—only 12 million USD was spent, with the remaining 18 million USD returned to the donor—shows a lack of commitment to decentralization. The central government lacked effective capacity-building policies and programmes directed at municipalities, while Mozambican municipalities still face serious delivery problems. Because of these shortcomings, this study argues borrowing from Chanie (2007), that what the researcher witnessed in Mozambique may be decentralization under patrimonialism and clientelism. This leads to LG being responsive and loyal to the central party (upward accountability) through a patron-client relationship, which en-

ables the central political leadership to dominate all political power and resources by positioning loyal clients at the local level. This explains why the treatment from CG to municipalities ruled by the party in power was different from that of Nacala-Porto, ruled by the opposition. The CG exercised more financial control there than in municipalities run by the ruling party. As ruling party municipalities benefit from patrimonialism and opposition municipalities face excessive CG interference to reduce their local autonomy, the entire decentralization process becomes compromised and contradicts arguments about democratic decentralization (devolution to LG). According to Olowu and Wunsch (2004), Nijenhuis (2002) and Valsam (1999), devolution includes not only the transfer of decision-making power and resources to lower levels of government, but local leaders must be accountable to their constituencies and public participation needs to be enhanced at the local level. This thesis argues that, due to these limitations, in a Mozambican decentralization process designed for deconcentration to districts and devolution to municipalities, deconcentration to both districts and municipalities is the actual effect. Considering the CG reluctance mentioned above, deconcentration in the Mozambican context cannot be regarded as a step on the way to devolution; rather, it looks like an attempt at preserving as much of the current CG *status quo* as possible and at extending centralization and control over resources.

6.6 Ineffective Human Resource Management

In most municipalities studied, recruitment and retention of local officials does not follow from merit, but political party ties and political affiliation, which extends to LG internal relationships and procedures. As an indication of the weak application of the political factor leadership in almost all four municipalities researched, with the exception of Matola where there was an effective leadership, patron-client relationships are common when new mayors come to power, whether from the ruling party or the opposition. These new mayors then replace key, skilled personnel, especially in administration and finance with their friends and fellow party members, some of whom are unqualified and require more training. This reality showed strongly in the case of Nacala-Porto where 89 part-time unskilled officials from the mayor's political party, some of whom were near retirement, were hired without a public sector entrance exam, which also shows a lack of adherence to the rule of law, thereby

weakening the local institutional set-up. According to Chabal and Daloz (1999) and Hope (1997), similar situations transform the public sector and its services into patrimonial systems managed on ascription rather than on merit. The way human resources are educated and attracted to the MC and the utilization and retention of officials as they pursue their careers, is crucial for an effective performance in the five municipalities studied. This LG administrative capacity was strong in both successful municipalities namely Dondo and Matola and weak in the less successful municipalities namely Nacala-Porto and Chimoio. This is not a consequence of lack of capacity to use management methods based on the Western concept of rationality, as the environmentalists argue. Or as Kabou in Chabal and Daloz (1999) stresses on the backwardness of Africa, a Western rational method can be adapted and applied successfully in the African context. For instance, the administrative capacity in Matola has improved due to hiring qualified and professional staff, some of whom, like councillors, have university degrees. Evidence shows that countries using a merit system have better performing public management systems than those that do not (Ademolekun 1999). These include effective incentive systems, absent in the municipalities studied. Besides these incentives and a merit system, Grindle (1999) says that individual performance can be positively affected by more opportunities for meaningful work, shared professional norms, teamwork and promotion based on performance rather than on training in specific skills. The lesson learnt in this case, the shortcomings mentioned, indicate that the leadership at the municipal level is not responsible in its role as public trustee, as it disrespects the public realm, shows poor transparency in public policy and poorly adheres to the rule of law.

6.7 Fiscal Decentralization and Patronage

Incomplete decentralization policies are also spreading corruption as LG financial autonomy is not followed by effective Central Government and Local Government auditing systems and accountability mechanisms to municipalities. Contrary to Stoker (2004) who argues that a significant degree of autonomy lies in the heart of decentralization that aims at facilitating local development, and that an efficient LG financial system must have transparent accountability. Municipalities in Mozambique have some financial autonomy within their competences and functions, but instead of responding effectively to local demands, corruption and

mismanagement of funds was decentralized in the process. This is because the oversight bodies, particularly the Administrative Tribunal, lack effective auditing systems and penalties to sanction misconduct in municipalities. This is an indication that both institutional set-up and influence of political parties in decision-making are weak in most of the municipalities studied. While municipalities governed by the ruling party benefit from these weak accountability mechanisms, opposition municipalities face strict controls, as in Nacala-Porto where CG installed an agent to control LG expenditure. The case of Nacala-Porto once again indicates a weak influence of political parties in decision-making. This is in line with Chabal and Daloz (1999) who stresses that, systems of such profound uncertainty and disorder, which depend on subtle and constantly fluctuating ties of loyalty, provide many opportunities for the instrumental use of properly cultivated social relations. To substantiate this, technically it does not mean that effective auditing and accountability mechanisms do not exist, they are simply not applied or wilfully applied by CG differently to, on the one hand, strengthen patron-client relationships and on the other hand, suppress the opposition. Analysis of CG behaviour in this case leads to Hyden's (1983) and Collins's (1980) statement that, 'the Environmental theorists argue that public administration in Africa is distinctive because it is politicized and patronage-prone', they fail stating that it cannot effectively use management methods based on the Western concept of rationality. As mentioned above, with political will and commitment from CGs, as the Organizational theorists (Leonard 1987; Ngouo 2000; Olowu 1995) assert, some modified and adapted Western methods based on rationality can be successfully applied in the African public administration. This does not reject LG financial autonomy in favour of a more centralized approach to financial decisions, as with governments such as Britain (Stoker 2004) and the USA, where local bodies depend on the states for revenue (Jain 1998: 30). It means that effective CG and LG auditing systems and accountability mechanisms can contribute toward efficient and effective LG performance with transparency in connecting spending decisions, raising taxes and voter choices. This would strengthen the following political factors: influence of political parties in decision-making, institutional set-up and LG financial management capacity, and this needs to be applied to all municipalities in Mozambique regardless of the party of the municipal government.

6.8 Failure of Capacity-Building Initiatives

Although some capacity-building initiatives have been relevant and effective, with some municipalities showing improvements in human resource development, infrastructure, work materials and equipment, most initiatives were ineffective because they had a little positive impact on LG capacity to deliver services. Failure of capacity-building initiatives, particularly training in the municipalities studied derives from lack of an effective assessment of training needs and subsequent underutilization of trained officials. To substantiate this, Grindle (1997) states that human resource constraints are more likely to derive from the failure to provide people with meaningful jobs and utilize their skills effectively than from problems related to training per se. For instance, officials trained in computer skills, did not have computers to work with in Chimoio. Some local councillors and some key officials also received training, but lacked offices and equipment in Chimoio and to some extent in Nacala-Porto. This illustrates lack of an effective administrative capacity in these less successful municipalities. Lack of work materials, equipment and infrastructure is a crosscutting issue in all municipalities studied. This indicates that there was no effective assessment of training needs and imposition of training programmes from CG and donors, and most importantly the piecemeal nature of such reforms led to this underutilization of officials. These reforms could have been more successful if, borrowing from Mizrahi (2004) they were not merely concentrated on training individual skills, but considered the larger organizational and institutional context. One way to address this issue is through improvements in coordination mechanisms by CG to integrate all scattered capacity-building programmes, which, in most cases, are redundant and delivered in isolation. This indicates a lack of ownership and effective leadership in reforms. According to Lopes and Theisohn (2003) there is a relationship between capacity-building and leadership, as lack of powerful and responsible leadership can destroy decades of nurturing human skills or developing institutions. Lack of responsible leadership also manifested in using training to eliminate strong opponents because, when they go for training the politicians replace them with their own party members. On the other hand, most leaders and key officials at the local level have low academic and professional qualifications, but strong political influence, therefore are reluctant to upgrade their subordinates' skills from fear of being replaced in future. This indicates that intervention from the over-

sight authorities (CG) and donors is necessary to help LG assess real training needs. Despite these problems, there were some improvements in the performance of officials in the departments of administration and finance due to capacity-building initiatives in all municipalities researched. This extends to institutional capacity for the use of participatory budgeting in Dondo, though it was lacking in the other four municipalities researched.

Other aspects to improve capacity-building initiatives are, according to Mizrahi (2004), Grindle (1997), Morgan (2002) and the WB (1998): donors and governments might find adequate instruments used to measure, monitor and evaluate these initiatives; Increase feedback for more effective improvements in these programmes; Reforms that are more comprehensive and an effective political will, commitment and leadership are necessary; Programmes could be long-term projects that cover not only training individual skills, but also the larger organizational and institutional context; Reforms could also focus on behavioural issues; The strong dependency on donors and foreign experts could be reduced and the destructive donors' practices may be stopped (Mizrahi 2004; Morgan 2002; WB 2002). Yet questions remain, for instance, how can capacity-building initiatives be effective under patrimonial relations and how can they be legitimate when donors decided what to do, in most cases, without consulting LG or community members?

6.9 Leadership and Corruption

Most literature reviewed in this thesis regards the political factor leadership as crucial for improvements in the living conditions of local communities. For instance, Davids, Theron and Maphunye (2005) regard leadership as central to politics and government, they state that it is the dominant force for good governance in general and high performance organizations in particular. Although the study recognizes the relevance of leadership for improvements in service delivery coverage, it also considers that it may be detrimental to development purposes and act from selfish motives, as in the case of Chimoio, Dondo with regards to LG's own funds and Nacala-Porto, where corruption and mismanagement were more evident and encouraged by an ineffective leadership. This becomes problematic because in a patronage-prone system, irresponsible leadership follows such partisan politics, which in most cases, as Miller et al.

(2000) indicates, party ideology affects attitudes towards the goals and objectives of local governments. What is exemplary here is that although the leader's political party, particularly at national level, may influence the mayor's policy choices and development purposes, in many cases such influence does not lead LG to pursue public interests, but the party's own interests. Contrary to Chimoio, Dondo and Nacala-Porto where such instrumentalization of disorder extended to the local political order, Matola is very different. This means that although this mayor is embedded in wider social, political, economic and cultural structures in which patron-client relationships prevail, he resisted them. Although loyal to his party, because of his political will and commitment, the Mayor used his charisma and intellectual capacity to influence the MA to such an extent that the MA became committed to local development objectives. Together they successfully pressured the Municipal Council. To show that the political factor leadership was crucial for local development in Matola, political will and commitment was necessary to enhance good governance practices. Likewise, as Plummer (1999) argues, lack of leadership can undermine legislation and policy at the local level. The study concludes that among the five municipalities studied, the Mayor of Matola was the only one who could fulfil Leach and Wilson's (2000: 17) four important tasks: maintaining cohesiveness, developing strategic and policy direction, representing the authority in the external world and ensuring programme implementation. Besides these qualities, he also had vision, higher academic and professional qualifications and could lead and be followed. Now that there is a new mayor in Matola, with opposite leadership characteristics, the electronic newspaper *Savana* (19/02/2010) states that communities in Matola recently went on strike due to poor service delivery in the municipality. This is a clear indication of a committed leader whose successor was totally the opposite. This stresses the indisputable importance of effective leadership for local development.

According to Chabal and Daloz (1999), as the state in Africa is not and will not have, in the near future, the resources needed for an egalitarian distribution of resources according to social needs, patrimonialism continues to suit both patrons and clients. Consequently, a number of interconnected phenomena feeding each other and through which the search for political status nourishes a scheme of power and authority leading to corruption are constantly negotiated and purchased. As such, this study suggests some mechanisms to reduce corruption, as it helps

deplete the already scarce resources needed to respond minimally to a more egalitarian redistribution. At the level of policy design, such mechanisms are as follows. As Klitgaard, Maclean and Paris (2000) indicate, power monopoly by the ruling party could be reduced so that other parties, actors and others may contest it. Competition among political parties may be increased so communities can eliminate leaders who care about their own incomes over the needs of the community (Rose-Ackerman 2005: 28). The State and its citizens could help control the discretionary power of public officials and hold them responsible for their actions. To curb corruption, donors, CG and LG may have to initiate and develop effective anti-corruption strategies and corruption monitoring mechanisms at the municipal level. A strong and committed leadership is the driving force to counteract corruption coupled with good regulations (Lambsdorff 2007). A high quality, independent judiciary free from politicians and executive power may be necessary (Lambsdorff 2007). Another measure relates to increased salaries, as officials would fear losing their reasonably well paid jobs if caught taking bribes (Lambsdorff 2007: 37). Freedom of the media will pressure politicians to do the right thing for fear of being prosecuted (Brunetti and Weder 2003). Mass media could also be strengthened at the local level towards investigation of corruption, and particularly the radio could play its role as a vehicle of public education. Civil society organizations could become more involved in fighting corruption and there could be laws protecting whistleblowers. Funding agencies such as the WB, which funds Mozambican municipalities, could directly fund agencies in the field that are fighting corruption. Capacity-building initiatives through university programmes in public administration could be designed to produce a cadre of professionals, highly responsible government managers who would bring strict notions of integrity into the public service (Anechiarico 2003: 28-9). All these strategies would have a better impact if integrated and applied together, but lack of resources may relegate the application of some of them to later stages in the process.

In conclusion, the informalization of politics and the absence of bureaucratic professionalism pervade all spheres of the political system and public administration in the municipalities studied due to CG (party in power) fear of relinquishing power and losing its *status quo*. Regarding capacity-building initiatives, failure in the municipalities studied was mainly due to lack of effective assessment of training needs and under-

utilization of officials trained, lack of ownership and a responsible leadership and lack of an effective coordination between CG, donors and NGOs with LG in capacity-building programmes.

6.10 Concluding Remarks

6.10.1 General

The study contributes to raising awareness of the implications of a patrimonial system wherein, borrowing from Chabal and Daloz (1999), to maintain power and secure political positions, the elite informalizes politics and institutionalizes disorder to enable clientelistic deals. This monopolization stifles political competition and opposition participation. In this context, a mono-party system re-emerges where a multiparty democracy purports to be implanted. The study also contributes to indicating the main areas where municipalities lack capacity and suggests how improvements can be made. Due to the relevance and coverage of the findings, the study can be generalized to other municipalities with similarities in size, population and levels of development. First, the study aimed to analyse critically the extent to which the new democratic municipal structures and processes of decision-making were ready to target the needs of the communities they represent. It also evaluated if the capacity-building initiatives provided by the Mozambican CG, donors and NGOs to these newly established municipalities were targeting areas fundamental for their effective performance. It is noteworthy that although the decentralization process in Mozambique is still in its infancy, the improvements witnessed in service delivery coverage in most of the municipalities researched are very slow and meagre with only a few positive cases. Regarding capacity-building initiatives delivered by donors, CG and NGOs to the municipalities studied, they have had little effect in improving performance and service delivery coverage, except in Dondo and Matola, which registered some successes.

Although proponents of effective democratic environments indicate that local bodies have advantages over the state for being closer to communities, evidence from the field did not confirm this as clearly as expected. At the local level, based on the evidence collected in the field, the thesis concludes that there is a correlation between effectiveness in leadership, LG capacity to plan and make decisions, LG administrative

and financial management capacity, with improvements in service delivery coverage.

6.10.2 Summary of key conclusions

This section summarizes answers to the two main research questions of this study. To what extent are the Mozambican municipalities assuming their new responsibilities and functions in planning and decision-making, administration, human resources and financial management, and use of partnerships to improve service delivery coverage of selected basic services? To what extent are the capacity-building initiatives delivered by CG, donors and NGOs to municipalities in the LG areas mentioned above addressing gaps effectively?

Role of Leadership

The study agrees with Elcock (2001); Davids, Theron and Mapunhye (2005) who stress the relevance of leadership in improvements in service delivery coverage, but also recognizes the positive or negative impact that political ideology and partisan politics may have on policy choices of local leaders. In some cases, committed mayors with political will can influence their political party for positive change, as in the case of Matola where both Mayor and MA were committed to respond to their local communities' priorities, while in Chimoio corruption, mismanagement was more evident, and encouraged by an ineffective leadership.

Institutional Set-up

In terms of institutional set up, the study recognizes that the country represents a sophisticated formal institutional set up and an equally sophisticated institutionalized disorder. This is because the informalization of politics and administration enables the prevalence of patronage and clientelism, used to secure the current political order through strengthening loyalties with party affiliates and followers and to suppress opposition. An effective institutional set up with effective laws, rules and regulations is key to success in any organization. In the Mozambican municipalities, the oversight bodies, the MSA and MF waste time disputing functions and responsibilities over municipalities, instead of coordinating their activities effectively and contributing to the adoption and improvement of LG rules and regulations most needed for a better performance of municipalities. CG and LG officials could have better

knowledge of LG legislation. Rules and procurement procedures could be clear enough and sanctions may be imposed on corrupt officials and administrators, coupled by incentives for exemplary behaviour. The criteria applied for transfers, currently discriminates against small and poor municipalities, which continue to develop slowly, might consider other important aspects such as levels of infrastructure development and levels of poverty. This means that the poor municipalities could have a fair share of CG transfers for them to develop their infrastructure and reduce levels of poverty. In response to section 1.3 of chapter 1, even though the Mozambican Local Government Act (1997) gives local mayors more powers and competencies compared to Burkina Faso, Uganda, Botswana and Ivory Coast; such as, the power to appoint and substitute councillors and officials, the power to influence policy decisions, the power to lead the administration, execution, control and implementation of policy decisions. This study concludes that most Mozambican mayors do not use these powers and competencies effectively to respond to local community priorities. This manifested itself in the inability of local mayors, in almost all municipalities studied, except Matola and Dondo, to develop vision, innovate, deliberate and influence local policies positively, lead effectively and be followed, and in the poor results witnessed in service delivery coverage. Corruption was evident in most of the municipalities studied, it went unpunished and it was encouraged by poor CG and LG auditing and accountability systems.

Influence of political party constellations

As CG pursues incomplete decentralization policies from fear of relinquishing power and resources, stifling political party competition through patrimonial systems, more attention could go to electoral law and procedures in the electoral process and the voting system to make them as transparent as possible. Civil society including the local radio, donors and political parties, could stimulate such local political party competition and participation to improve delivery, as failure would result in more power for the ruling party to serve its own interests, contribute to more stagnation and increased corruption. Since government failure related to the problematic role of representative institutions (MA) and their decision-making processes leading to deficits in legitimacy, efficiency and effectiveness (Haus et al. 2005), besides other conditions such as an effective leadership, efficient administration and financial manage-

ment, political party competition and the participation of local CBOs and associations can also be stimulated to enhance the legitimacy of LG decision-making processes, policies and results. This would minimize LG failure in coping with complexity or with the problem of coordinating societal interactions locally, as key inputs in decision-making from various actors would help target real local priorities. As lack of legitimacy in most cases relates to lack of trust in problem-solving and interest mediating capacity of representative institutions (MA) (Haus et al. 2005), an effective political party balance in MA sessions, could improve the output of these sessions in favour of the vulnerable communities.

LG capacity to plan and make decisions

Due to lack of inclusive planning methods in all municipalities researched except Dondo, local plans do not reflect real local community needs because, as mentioned, planners prescribe what communities want, where and when. As shown, most of the municipalities researched do not have a local strategic plan that reflects a commonly agreed future vision of local development, and although LG has an electoral manifesto, it is, in most cases, an end in itself, as further community inputs to adjust it are not gathered after winning elections. Because there is a tendency to open spaces for participation to shift dissent and render other spaces illegitimate such as, the substitution of local CBOs and associations in Nacala-Porto and the tendency to co-opt local CBOs, locals must realize real LG intentions behind those spaces for participation, because they may be co-opted and politicized. The idea is that with the new participatory approaches to governance, communities can voice their consent to or dissent from policy proposals; they can also eliminate self-interested politicians through their votes. Participatory planning as implemented in Porto Alegre and Dondo provides a mechanism through which demands actively translate into visible community results. It also gives legitimacy to LG and its policies, enhances community ownership and makes the decision-making process transparent (Plummer 1999: 43). The municipalities studied could learn from the success of participatory budgeting in both Porto Alegre and Dondo in improving local service delivery and infrastructure. The latter with some limitations, due to lack of ownership, as the process was started and controlled by donors who seemed disinterested in PB sustainability.

Administrative capacity

Although LG administration and human resources have improved in some areas such as administration and finances, due to capacity-building initiatives, the systems of recruiting and retention of local officials in the municipalities studied are still patronage-prone. To maintain the political system and secure their positions, politicians and key officials trade public jobs, decisions and goods in exchange for support from their party affiliates and followers. These patterns of behaviour that favour ascription rather than meritocracy, contribute to failure in performance and results of service delivery. Therefore, because there is a common agreement that public management in countries that use meritocracy perform better than others, to improve efficiency, a merit system could be used and rules and regulations on recruitment, promotion and dismissal of officials may be improved and applied effectively by leadership and the human resources departments. As Grindle (1997) states, improving the payment of public officials, redefining work within well-structured hierarchies, rules and procedures does not lead to improved service delivery coverage unless public sector management systems are restructured to be performance and results-oriented, policymakers have moved forward and incorporated such systems in the Mozambican New General Statute of Public Sector Officials (revised in 2009), the question is whether it will work or not.

The capacity for financial management

As incomplete decentralization policies to strengthen loyalties are spreading corruption and being used to crush opposition, improved CG and LG auditing systems and accountability mechanisms may need to be effectively applied for decentralization to succeed in the country. Due to CG resistance to change, the driving force for such change can be trusted to civil society, donors and the media to put pressure on the ruling party for such change. In addition, the local MA (community representatives) could be strengthened to exercise its powers and hold the local mayor and MC accountable. For this to succeed, the transfer of financial management skills, well used in donors' projects, to LG may be helpful. Furthermore, the degree of availability of financial information to evaluation institutions, CBOs and LG partners could be improved, this is important because it would improve the share of financial information and accountability of LG to local communities and partners. It is

important before giving more autonomy to municipalities to collect revenue, that their current capacity be improved above the current less than 50 per cent revenue collection capacity. The lack of effective implementation of policy decisions because of lack of funds, results in well-designed policies remaining unimplemented. That is why Winter (2004) recommends a coordination of functions and activities between the planning and the budgeting sections to define and implement policies better.

Capacity to convene and enable

For an effective capacity to convene, LG may need to facilitate and enable the participation of other actors in local development. The municipalities studied may have to carry out political/administrative enablement, which means widespread involvement of NGOs and CBOs and strategies towards the market and the local community in the allocation of material and financial public goods and services (Burgess et al. in Helmsing 2001). As Mclean (2005) indicates, although a link between CBOs and LG can be successful, CBOs need to be aware and avoid elite capture, corruption, patronage, opaque decisions and ineffective accountability, most of which were common in Chimoio, Nacala-Porto and to some extent in the remaining municipalities. To strengthen their position and improve service delivery, local CBOs could collaborate with LG, as in the Water Forums in Matola and Dondo whose modality of delivery was successful. In these partnerships, LG may have to provide a more conducive regulatory framework, enhance the performance of service providers, promote good corporate governance practices, ensure financial sustainability and promote greater participation of the private sector and other stakeholders (Economic Commission for Africa, 3rd meeting paper, May 2005).

Capacity-building initiatives

Effective government performance is central to the creation of responsive democratic political systems and secure productive populations in developing countries. Evidence from the field indicates that lack of an effective assessment of training needs, underutilization of officials trained due to the piecemeal nature of reforms; as officials get training but lack work materials, equipment and infrastructure all contribute to the failure of capacity-building initiatives. Therefore, more comprehen-

sive capacity-building initiatives that not only develop individual skills, but also consider the larger organizational and institutional context, could help improve service delivery at the local level. Such interventions addressing poor performance will be successful if they follow an assessment of a broad set of variables and the environment on which they apply. This requires CG to develop effective policies and programmes for capacity-building to municipalities, together with them, instead of failing to spend donated money due to lack of such policies and programmes, particularly now that municipalities still have serious service delivery problems. CG could also strengthen its coordinating mechanisms and integrate the scattered programmes, and together with donors and NGOs plan and implement them accordingly, avoiding the unnecessary duplication likely due to lack of coordination. Ownership and a responsible leadership could be important for such improvements.

As mentioned in the introduction of this chapter, the study concludes that the capacity-building initiatives delivered by donors, CG and NGOs have had little impact in improving performance and service delivery coverage in the municipalities studied, with the exception of Dondo and Matola. Similar studies on failure of capacity-building initiatives elsewhere in Africa support these findings (DAC 2006; Grindle 1997; Mizrahi 2004; Morgan 2002; WB 1998). It is common for training to be perceived as a way to get rid of strong opponents and key officials, particularly those of the opposition, at least for a while, as new officials are appointed to their positions, when they are gone. In some cases, training may either be avoided or be continuously postponed. For these cases, oversight bodies and donors may be useful in monitoring and helping LG to assess real local training needs. Training in participatory approaches to governance is a vertical and horizontal crosscutting issue, which could be delivered to all departments at the municipal level. This would enable senior managers and technical officers to establish knowledge of the principles of participation, the opportunities and constraints that may affect this process. LG could enhance technical skills and knowledge that promotes community participation, such as low cost, appropriate technologies and labour-based approaches to construction.



Appendices

Appendix 1 *Government Institutional Questionnaire*

Name of Municipality _____

Name of LG Department in which you work and your rank (please put a check):

1. Planning_____
2. Finance_____
3. General/Administration_____ Field officer_____
4. Engineering/Public Works_____
5. Social Services_____
6. Housing and Community Services_____
7. Other_____

Senior executive_____

Middle management officer_____

Field official_____

Please fill in the questionnaire with useful information you have about your Municipality and Department (if applicable). Use a checkmark and use words/numbers where necessary. Please don't fill in questions you are not sure of.

Respondent Personal Data

1. What is the age, sex and level of education of respondent?

Age:_____

Sex: Male__female__

Level of education: Primary education_____

Secondary education_____

Tertiary/university level_____

LG Autonomy in Policy Decisions

2. What is the degree of LG autonomy to decide on major local policy issues?

LG has sufficient autonomy to decide on major local policies_____

LG major policy decisions need approval from CG_____

CG makes major local policy decisions_____

Other(specify)_____

3. Who sets local policy priorities?

LG alone_____

LG policies are influenced by donors'/NGOs' interests_____

LG and communities (CBOs)_____

Other (specify)_____

LG Leadership (Mayor) Characteristics

4. What are the academic and professional qualifications of your Mayor? Secondary education ____ Tertiary/university level ____ Professional _____.

5. How do you perceive your Mayor? Is he (check more than one if applicable):

Charismatic ____

Visionary ____

Innovative ____

A strong leader ____

A shaker ____

A weak leader ____

6. The Mayor has capacity to lead and be followed by the Local Assembly and Council members

Strongly agree ____

Agree ____

Don't agree ____

Strongly disagree ____

Other (specify) _____

7. To what extent is his ability to relate to Councillors and Municipal Assembly members effective?

He has good relationships with Councillors ____ Municipal Assembly members ____

He is effective in appointing Councillors ____

He has capacity to represent the municipality within/outside its boundaries _____

He uses his powers to foster effective implementation of policies adopted by the Municipal Assembly _____

Other (specify) _____

8. To what extent do you consider him effective to deliberate and influence local policies?

He has strong influence on major local policies ____

He is passive in relation to municipal assembly deliberations ____

He has favoured policy decisions reflecting real local community needs _____

Only some particular well off groups in detriment of the needy are favoured by his policy decisions _____

Other (specify) _____

Give examples of some policies strongly influenced by him

9. Are the Municipal Assembly members able to deliberate and adopt effective policies?

Yes/No

The opposition has capacity to deliberate and influence decisions ___/___

Only most ruling party policy decisions are adopted ___/___

The Municipal Council makes most major policy decisions ___/___

CBOs are consulted before making major local decisions ___/___

Other (specify)

10. To what extent do you consider major policy decisions made by the Municipal Assembly transparent and effective?

Policies reflect real local community needs _____

There is equity in policy decisions as all community groups are targeted

Only particular well off groups are targeted by policy decisions

There is no transparency in policy decision-making _____

Other (specify)

LG Relationship with Communities (CBOs)

11. Does LG formally recognize CBOs as actors in its planning process?

Yes___/No___. If yes, is it through:

National laws (e.g. on decentralization or participation) _____

Administrative instructions from CG _____

LG own by-law, statute or other legal instrument _____

Municipal/Council resolutions _____

Other (specify)

12. In what areas does the LG (your Department if applicable) involve communities (CBOs) in its activities?

Setting policy priorities _____

Planning of activities & works _____

Community micro-plans _____

Making local budgetary decisions _____

Implementation activities & works _____

Monitoring and evaluation of their activities _____

13. Do you regularly meet local communities? Yes___ No___ . If yes, when did you last meet them? Last week _____ Last month _____ Three months ago _____

Half a year ago _____ More than a year ago_____

Who did you meet?

Community leaders _____

Particular families, beneficiaries of LG programmes _____

Special subgroups (women, youth, elders) _____

Other (specify) _____

What was the purpose of your meetings?

To communicate/carry out administrative instructions _____

Obtain information for LG programmes _____

To share information with community _____

To negotiate with community _____

Other (specify) _____

14. In which of these areas has the LG (your department) been active in the last 3 years (check more than one if necessary)?

Land _____

Drinking water _____

Sanitation & sewerage _____

Electricity _____

Mass transport _____

Emergency services _____

Public security _____

Roads _____

Primary education _____

Secondary education _____

Primary health care _____

Curative health _____

Low-income housing _____

Recreation/sports facilities _____

Business facilities (markets/buildings) _____

Support to small enterprises _____

Other (specify) _____

15. Are there any budgetary provisions in the annual current budget to (co) finance community projects? Yes___ No____. If yes, is it through:

- Full financing_____
- Co-financing with grants_____
- Co-financing with loans_____
- What is the nature of projects?
- Physical infrastructure_____
- Basic Services (e.g. facilities for health, education, etc) _____
- Housing & housing improvements _____
- Employment & income generation (e.g. markets, commercial, industrial build-ings) _____
16. Give a list of 3 community initiated projects implemented by LG (include your Department if applicable) in the last 2 years.
- Cost-effective/Ineffective
- Project 1_____./_____
- Project 2_____./_____
- Project 3_____./_____

LG Administrative Issues

17. What are the academic and professional qualifications of the councillor in your department?
- Secondary education_____ Tertiary/university level _____
- Professional _____.
18. To what extent is the councillor in your Department effective in making policy decisions?
- He also involves field officials in decision-making through consultation _____
- He only involves administrators/supervisors in decision-making _____
- He also involves local communities in major policy decisions _____
- He is not transparent in policy decisions _____
- Other (specify) _____
-
19. To what extent is your programme manager effective in performing his/her administrative duties and tactical requirements?
- He/she is effective in making operational decisions ____
- He/she allows inputs in decision making from field officials ____
- Decisions are not transparent ____
- The decision-making process is more top-down ____
- Other (specify) _____
-
20. Please check the type of incentives that the LG uses to attract/recruit/retain personnel:
- Good remuneration_____

Promotion _____
 Training and development _____
 Physical working conditions _____
 Recognition _____
 None _____
 Other (specify) _____

21. Have you ever been involved in staff training programmes? Please check respective area, year and give number of officers trained in the same area:

Training programme/Year / Staff numbers

(Man-women)

Strategic planning _____/_____/_____-_____
 Planning _____/_____/_____-_____
 Policy management _____/_____/_____-_____
 Financial management _____/_____/_____-_____
 Procurement _____/_____/_____-_____
 Human resource management _____/_____/_____-_____
 Engineering/Public works _____/_____/_____-_____
 Social services _____/_____/_____-_____
 Infrastructure _____/_____/_____-_____
 Participatory approaches to governance _____/_____/_____-_____
 Other (specify) _____

22. To what extent is your training programme effective in your work?

Now I perform my duties effectively _____

I was assigned a different job from my training _____

The training programme has no effective impact in my job _____

There is lack of new technology to apply inputs from training _____

Other (specify) _____

23. Have you ever been involved in LG internal decision-making processes?

Yes ___ No ___. If yes, state the purpose _____

24. How do you rate the conditions of equality in employee treatment?

LG employees are treated on more equal grounds _____

Field officials are treated discriminatively _____

There is a balanced remuneration system _____

There is no transparency in employee treatment _____

Other (specify) _____

25. What is the degree of quality and availability of LG information about its internal procedures? (check more than one if applicable)

Good quality _____

Moderate quality _____

Bad quality _____

Open planning procedures _____

Open and up-to-date information systems _____

Open systems for contracting and acquiring goods and services _____

Other (specify) _____

LG Financial Autonomy (Please fill in if you are sure you will be giving correct information. Include your own Department if applicable)

26. Does the LG have any budgetary discretion?

No, all expenditures need prior clearance from CG _____

LG is allowed to spend up to a defined ceiling per expenditure item without CG prior approval _____

LG is allowed to spend within stipulated (e.g. quarterly) cash ceilings and within budget lines _____

LG has authority to move funds between budget line items within narrow limits (less than 10%) _____

LG has authority to move funds between budget lines within stipulated wide limits (more than 10%) _____

27. Does the LG have authority to tender its own projects and choose its own contractors?

No, works are carried out via CG _____

Projects & tenders need approval of a CG board _____

Yes, independently up to certain maximum amount _____

28. To what degree was the LG stability and continuity in financial management effective in the last 3 years?

2003/2004/2005

Total revenue covered more than 75% expenditure needs ____/____/____

Total revenue covered more than 50% expenditure needs ____/____/____

Total revenue covered less than 50% expenditure needs ____/____/____

Total revenue covered less than 25% expenditure needs ____/____/____

Other (specify) _____

29. Do you think that the percentage of total national shared public revenue by LG is sufficient to cover the devolved responsibilities and functions? Yes _____ No _____. What is the estimated deficit? _____

30. Rate the degree of effectiveness of coordination between the budgeting and planning officials in the following years:

2003/2004/2005

More than 75% of LG plans were successful _____/_____/_____

More than 50% of LG plans were successful _____/_____/_____

Less than 50% of LG plans were successful _____/_____/_____

Less than 25% of LG plans were successful _____/_____/_____

Other(specify)_____

31. Are there any project plans partially or never implemented due to lack of budget? List 3 project plans_____.

32. What percentage of local revenue does the LG collect in relation to the total?

Less than: 25% _____ between 26 and 50% _____ 51-74% _____ more than 75% _____.

33. Are there any incentives for improved revenue generation (tax collection, exchange of information, guidelines on tax and charges collection)? Yes _____

No _____. Please check type of incentives: Monetary incentives (increased salaries) _____ Better working conditions _____ Training and employee development _____ Recognition _____ Promotion _____ Other (specify) _____

34. Does LG have autonomy to adjust local tax rates (property charges, user charges and fees)?

No, mostly are nationally set _____

Need approval of higher level of government _____

Yes, independently _____

Other(specify)_____

35. Rate the degree of trustfulness and comprehensiveness of LG information on financial resources:

Good quality information _____

Bad quality information _____

Open budgeting procedures _____

Open and up-to-date financial information systems _____

Other(specify)_____

LG Accountability and Auditing Systems

36. Name any LG internal/external accountability bodies/mechanisms:

Internal _____

External _____

Yes/No

LG politicians account to their local electorates ____/____

LG politicians only account to CG ____/____

The executive regularly accounts to Municipal Assembly ____/____

LG mechanisms of accountability are effective ____/____

Other(specify) _____

37. Is there any internal audit office? Yes ____ No ____.

Is it well staffed? Yes ____ No ____

Are there any guiding principles for auditing? Yes ____ No ____

38. How effective were the auditing systems in the last 3 years?

2003/2004/2005

Effective auditing of LG accounts ____/____/____

Proper organization and staffing of internal auditing ____/____/____

Ineffective auditing of LG accounts ____/____/____

Inadequate organization and staffing of internal auditing ____/____/____

Other(specify) _____

LG Partnerships

39. What is the degree of compromise between LG and other partners in the accomplishment of tasks?

More than 75% of partnership programmes/projects succeed _____

More than 50% of partnership programmes/projects succeed _____

Less than 50% of partnership programmes/projects succeed _____

Less than 25% of partnership programmes/projects succeed _____

Other(specify) _____

40. Give a list of 3 CBOs partners of LG and thick who do they represent:

Poor/Women/Youth/Elders

CBO 1 _____.

CBO 2 _____.

CBO 3 _____.

Other(specify) _____

41. Give a list of 3 LG projects implemented at low costs through partnerships between LG with CBOs/NGOs/Private sector:

Cost-effective/ineffective

Project 1 _____ . _____/_____

Project 2 _____ . _____/_____

Project 3 _____ . _____/_____

42. Name who monitored these projects' implementation? _____

How effective was the monitoring process?

Projects achieved more than 75% of their goals _____

Projects achieved more than 50% of their goals _____

Projects achieved less than 50% of their goals _____

Projects achieved less than 25% of their goals _____

Other(specify) _____

Attitudes

43. Please rate the answers below by putting a check where you strongly agree/agree/disagree/strongly disagree:

Low income community development *Strongly Strongly*
 initiatives/community micro-plans *agree Agree Disagree disagree*
 should be the basic guideline for
 LG support. _____

Initiatives from LG and NGOs
 in low income settlements do not
 work and will not be maintained
 afterwards, unless local commu-
 nities are organized and actively
 participate. _____

When LG talks about low income
 groups and their 'participation' it is
 only for *political* purposes, not for real. _____

Organizing and empowering the
 poor themselves is the only way for
 a sustainable improvement of their
 living conditions. _____

Appendix 2

LG partners in the municipalities studied (checks mean-the same takes place in Municipalities)

	Dondo	Matola	Manhiça	Nacala-Porto	Chimoio
-Municipal Development Programme for all 33 Mozambican municipalities (WB/Ministry of State Administration-budget 30,000,000 USD)	-Training for leadership and officials in: -Municipal legislation -Human resource development -Public finances (planning and budgeting) Infrastructure -Management of urban land	✓	✓	✓	✓
-Programme to support the Mozambican Districts and Municipalities (PADM-Austrian Cooperation Agency-budget Euro 25,000,000 for 2 municipalities (only Dondo benefited among the 5 studied))	-Promotion of participatory planning and development -Capacity-building to improve governance at municipal level (focusing on strategic planning). -Financing investment and small projects for rural communities	X	X	X	X
-Project for Institutional Strengthening of the Municipality-	X	-Planning capacity (municipal develop-	✓	X	X

ties of Matola and Manhiça (Spanish Cooperation Agency-budget 18,000,000 USD)		<p>ment plan)</p> <p>Administrative management</p> <p>-Financial and fiscal management</p> <p>-Urban management</p> <p>-Markets</p> <p>-Local development</p> <p>-Human resources capacity-building (technical aspects)</p>			
-PROGOV-USAID Project of Democratic Municipal Governance	X	X	X	<p>-Fiscal database improvement and transparent financial management (introduction of participative planning and budgeting processes)</p> <p>-Solid waste disposal</p> <p>-Strategic planning</p> <p>-Municipal Assembly improved information management and deliberation</p> <p>-Reorgan-</p>	Same

				ization of municipal markets -Urban planning	
SNV	X	X	X	Implementa- tion of local development initiatives -Promotion of municipal interaction	-Same
National Council to Combat HIV/AIDS. Budget USD 32,840,000 per annum for all 33 municipali- ties	-Planning and implementa- tion of activi- ties to com- bat HIV/AIDS	✓	✓	✓	✓

Source: Documents and interviews with donors, NGOs members and local leadership.

Appendix 3
Training programmes and areas targeted

Recent staff training programmes and areas targeted

Programmes	Dondo	Matola	Manhiça	Nacala	Chimoio
Strategic planning (WB/Ministry of State Administration-MSA)	-Mayor	-Mayor	-Mayor	-Mayor	-Mayor
Municipal legislation (WB/MSA)	Mayor/ Councillors	-Mayor/ councillors	-Mayor/ councillors	Mayor/ Councillors	-Mayor/ councillors
-Planning/ Budgeting	4 official	4 officials 2 officials 2 officials	4 officials	4 officials	4 officials
Infrastructure	2 officials		2 officials	2 officials	2 officials
-Management of urban soil (WB/MSA)	2 officials		2 officials	2 officials	2 officials
LG/Spanish Cooperation Training Initiative	X	81 municipal police 42 ward secretaries/ 20 community leaders (administrative issues) 2 officials (urban cadastre) 8 officials (leadership and water pumps management, maintenance and canalization) 2 officials (computer skills)	10 officials (computer skills) 15 ward secretaries/ 6 community leaders (administrative issues) 1 official (urban cadastre)	X	X

LG/PROGOV (USAID) training initiatives	X	X	X	-All officials of Department of inspection (course on internal inspection and municipal governance and management 2 officials (public relations) 30 officials (computer skills) Head of secretary (Course on basic management of State documents)	28 officials (HRM, planning/ budgeting, management of urban soil, combat HIV/AIDS and municipal legislation)
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Source: Answers to questionnaires from 15 officials and interviews with leadership, NGOs and donors in each of the five municipalities studied, and interviews with CG officials.



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António Pedro José Machohe

In the last five years António Pedro José Machohe has been working on his thesis titled “Limits to Decentralization in Mozambique: Leadership, Politics and Local Government Capacities for Service Delivery”. Mr Machohe also has a Postgraduate Diploma (1997) and MA (2000) in Public Policy and Development Management from the University of Witwatersrand, in South Africa and a BA degree in English Teaching as a Second Language from the Pedagogic University, in Mozambique. In addition, he has also attended a wide range of skill intensive short courses in local governance and research design and policy analysis. In NYU he participated in a summer course in policy analysis and evaluation, in 2000 and got a certificate of specialist in local development from the University of Torim, in Italy. He also guided NYU MA students during their master’s dissertation fieldwork in Maputo, in 2003.

Since 2000 Mr Machohe has been teaching public policy at Eduardo Mondlane University in Maputo, where he was the Director of the Public Administration Course, from 2002 until 2004 and the Substitute-Head of the Department of Political Science and Public Administration, from 2003 to 2004. He was also a part time English lecturer as a second language at the Pedagogic University in Maputo in 1995 and 1996. Currently he is a lecturer and researcher at the same university.

Contact:

Eduardo Mondlane University, University Campus, Julius Nhyrere Avenue, PO Box 253, Maputo- Mozambique. Cell +258 821560047.