Mozambique Municipal Development Project

The project was designed as a long-term capacity building and institutional development project utilizing a pilot funding program, Municipal Grant Fund (MGF), as the first stage of support for municipal infrastructure and services. The original four components included (a) Legal and Institutional Reform; (b) Municipal Capacity Building; (c) Municipal Grants; and (d) Project Management and Technical Assistance.

The four components were maintained throughout implementation; however, based on the recommendations from the MTR there were some changes to their implementation, and the original emphasis of the project was reoriented back to capacity building and away from the financing of infrastructure. Since component (c) was a pilot, it was adjusted several times in order to identify the criteria to make the pilot successful.

The restructured project development objectives were to assist the Government of Mozambique to (a) operationalize the legal, institutional and fiscal framework for municipal governance; (b) develop a sustainable training and technical assistance system and increase the capacity of municipality officials and personnel; and (c) establish an operating mechanism for providing grants to municipalities through a pilot program in eight cities to finance capital investments for municipal capacity building and infrastructure.

Impact on the ground

The achievements by components are summarized below:
- Improved competences of both municipal elected officials and staff;
- Improvements in terms of financial management capacity of the staff in all MGF participating municipalities;
- Development of a set of norms and procedures which contributed to the improved functioning of the municipal system;
- The adoption of new functional organizational structures for the municipalities;
- Creation of a capacity building system with the three IFAPAs; and
- Creation of a local procurement system consisting of simplified procurement manuals harmonized with the national procurement system.
Lessons learned

Some of the lessons learned include:

- The design of a project and in particular of a pilot program should be simple and within the capacity of the staff and agencies responsible for its implementation.

- The design of the Municipal Grant Fund (MGF) was often adjusted to reflect lessons learned that resulted in successfully testing a transfer system that enabled local staff to design and implement small projects within a 12 month cycle;

- The initial mechanism to transfer funds was complex because of an unreliable treasury system at the time of the project’s design.

- The MGF had a complex implementation framework involving too many decision makers, which minimized the importance of local ownership.

- Political leadership and commitment from the mayors/presidents is a pre-condition for a successful project design and management.

- Team leaders from government and Bank project teams must develop strong working relationships built on effective communication so that both organizations are working toward the same objective.

This Best Practice InfoBrief was extracted from Implementation Completion Report No. 72, in which more detailed information can be discovered.