Report Number : ICRR0020110

1. Project Data

Project ID	Project Name
P107311	MZ-Nat'l Dec Planning & Fin SIL (FY10)
Country	**Practice Area(Lead)**
Mozambique	Social, Urban, Rural and Resilience Global Practice

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-47050	30-Jun-2015	46,300,000.00
Bank Approval Date	**Closing Date (Actual)**	
30-Mar-2010	30-Jun-2015	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	30,400,000.00	0.00
Revised Commitment	30,259,941.13	0.00
Actual	29,946,526.38	0.00

Sector(s)
Sub-national government administration(87%):Central government administration(13%)

Theme(s)
Decentralization(31%):Public expenditure, financial management and procurement(41%):Other public sector governance(15%):HIV/AIDS(11%):Other accountability/anti-corruption(2%)

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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) is to improve the capacity of local government to manage public financial resources for district development in a participatory and transparent manner (Financial Agreement, 2010, pg. 4; Project Appraisal Document, 2010, pg. 7).
The project objective was not revised during implementation. However, a core Bank indicator, *direct project beneficiaries (number), female,* was added shortly after project approval (ICR, pg. 3).

Public Disclosure Authorized

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components

The project comprised seven components, as briefly summarized below (PAD, pp. 9-11; actual/latest estimate expenditures from ICR, pg. 29).

Component 1: Improving National Support System (Estimated full cost US$3.9M, of which IDA US$3.2M; actual US$5.6). The component focused on providing technical assistance to the center and provincial governments to strengthen national systems to support decentralized planning and finance. It consisted of a number of activities designed to help develop policy, legal frameworks, and instruments for monitoring and evaluation of planning and finance processes at the district level, as well as to strengthen human resources at the district and provincial levels.

Component 2: Strengthening Participatory Planning and Budgeting (Estimated full cost US$13.2M, of which IDA US$10.4M; actual US$8.0). This component comprised activities targeted at improving the quality and scaling up coverage of the five-year district strategic development plans, including strengthening community participation in planning and budgeting.

Component 3: Enhancing Management and Implementation Capacity (Estimated full cost US$11.6, of which IDA US$9.2; actual US$17.8). This component was composed of activities to implement the systems and tools developed under components 1 and 2 at the district level. It focused on improving capacity of districts to implement public investments in different sectors; providing training to civil servants in administration, financial management, procurement, revenue collection, and safeguards; and implementing the national system of monitoring and evaluation at the local level.

Component 4: Strengthening Oversight and Accountability (Estimated full cost US$0.4M, of which IDA US$0.3M; actual US$0.5). This component focused on enhancing the capacity of the Administrative Tribunal (AT) and the provincial inspectorates to conduct audits and inspections in the provinces and districts. It also included strengthening the internal controls system in provinces and districts, and raising community awareness of the district plans, financial reports, and audit and inspection findings.

Component 5: Knowledge Management (Estimated full cost US$0.5M, of which IDA US$0.4M; actual US$0.6M). This component financed the identification of good practices and knowledge generation and dissemination through a variety of modalities to support the development of national policies and strategies based on knowledge accumulated at the local level.

Component 6: Effective Project Management and Coordination (Estimated cost US$4.8M, of which IDA US$3.9M; actual US$5.7M). This component focused on strengthening the capacity of the decentralized planning department within the Ministry of Planning and Development (MPD), and assisting with coordinating sector ministries' participation in the project. It also included monitoring and evaluation of implementation and results.

Component 7: This comprised activities supported with parallel financing from the United Nations Development Fund (UNDP) and the German Agency for Technical Cooperation (GTZ) (US$8.6M; actual US$11.3M). The activities supported capacity building in selected provinces for decentralized planning and finance.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Cost

The total appraised cost of the project was US$46.3 million (PAD, pg. vii). The full actual project cost amounted to US$50.5, or 109% of the appraised cost (ICR. Pg. 29). The ICR notes that the difference between appraised and actual cost is due to currency fluctuations between the SDR (the currency of the IDA Credit) and the US dollar and the Euro. Costs for all components except component 2, *Strengthening participatory planning and budgeting* were higher than planned, with the one for Component 3, *Enhancing Management and Implementation Capacity,* amounting to 153% of the original cost. The cost for component 2 was only 61% of the original estimate (ICR, pg. 29). The ICR notes that there were no significant changes to project funding allocations (ICR, pg. 5). However, it is unclear why Component 3 cost almost 1.5 times more than the appraised cost, while Component 2 was only 61% of the original. At the end of the project, US$29.9 (98%) of the IDA funds were spent.

Financing

Financing was through pooled and parallel funding mechanisms. IDA was to have contributed US$30.4 through a Common Fund, with the Netherlands, Ireland, and Switzerland also contributing US$7.3 into the Fund. The UNDP and GTZ provided parallel financing of US$8.6 for specifically for component 7.

Borrower contribution

No borrower contribution is noted, although the project functioned in parallel to financing provided by the government to the districts for

local infrastructure projects and was intended to contribute to improved service delivery through such projects.
Dates
The project became effective on August 30, 2010, after a two month delay, and closed on June 30, 2015 with no extensions. The ICR notes that the financing agreement was amended twice (December 21, 2010 and July 19, 2012) to allow the implementing agency to additional time to meet a total of six dated covenants.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The project was aligned to the government's First Action Plan for the Reduction of Absolute Poverty (PARPA; 2001-2005), wherein the government restated its commitment to decentralized planning and finance for improving service delivery (ICR, pg. 1). The government further reconfirmed its plan for decentralized service delivery in PARPA II (2006-2009). The project was key to addressing the constraints in achieving the government's objectives by contributing to building the capacity of district-level government, which had low capacity to fulfill its core functions (ICR, pg. 1).
The Country Assistance Strategy (CAS; 2007-2011) noted the importance of governance reforms, including public sector management and decentralization, and highlighted the need for institution and capacity building at the local level together with citizen participation in design and oversight of public interventions (CAS, report no. 39395-MZ, executive summary, para. iii – no page number noted; pg. 19). The CAS explicitly stated improved economic governance as one of its results areas, with one of the expected outcomes defined as *improved budget planning at the central, district, and municipal levels*, with support for the government's decentralization agenda (CAS, executive summary, para. vi; pg. 27).
The project objectives remained relevant at the time of project closing. The Country Partnership Strategy (CPS; 2012-2015), which closed at the same time as the project, acknowledged the decentralization strategy of the government and highlighted governance and public sector capacity as one of its objectives and programmatic areas (CPS, pp. 42, 56).

Rating
High

b. Relevance of Design

The stated project development objective (PDO) was to improve the capacity of local government to manage public financial resources for district development in a participatory and transparent manner. The project addressed this objective through an integrated, coherent, and comprehensive set of activities and inputs from institutional (policy, legal frameworks, etc.), organizational (tools, specific instruments, etc.), human resource (training, technical assistance), and community (knowledge, raising awareness) perspectives.
It also paid attention to coordination and management, strong systems and capacities for which are required to implement a program such as this involving different levels and agencies of government. Finally, the establishment of the Common Fund was useful for coordination across donors to provide integrated support aligned with government priorities. Donor support otherwise may have resulted in competing, contradictory, and fragmented initiatives.
Overall, the design was logical, and there is a plausible contribution of the project components (directly or indirectly) to enhancing local government capacity to manage public financial resources for district development in a participatory and transparent manner. The project components aligned with the "intermediate result areas," have an implicit theory of change, but neither the project document nor the ICR clarifies the results chain to identify the different levels of results. For example, and "improved national support system" should theoretically contribute to "enhanced management and implementation capacity," and therefore could be considered an output or at least a lower-level intermediate results.)
Nonetheless, as the ICR states (pg. 12-13), it is difficult to determine empirically the relevance of the set of activities to the project objective, because the design did not include the collection of direct evidence on the degree to which financial resources for district development were managed in a participatory and transparent manner. The PDO indicators measured budget execution and the public disclosure of districts' budget execution reports, which capture aspects of capacity for managing public financial resources only. However, no direct beneficiary feedback was included in the design to enable an assessment of whether the activities resulted in improved quality of budget execution (reflecting citizens' needs) and the extent and quality of the participatory processes utilized (ICR, pg. 9; further discussion in section 10a on M&E).
In addition, the original design had envisaged that the government training institutes for public administration would train and accredit all trainers

in specific sectoral areas, which would have led to ownership and institutionalization of the capacity to continue providing training to the districts. As it were, this design was changed, instead, to utilizing project-financed technical assistants not part of the training institutes to train the trainers, with certification from the ministry of agency responsible for training in the specific areas (ICR, pg. 16). This arrangement potentially jeopardized continuing education and capacity building needed to sustain results in a project such as this one (also see section 7 on risk to development outcome).

Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective
Improve the capacity of local government to manage public financial resources for district development

Rationale
PDO-level indicators and targets related to this objective are: 110 districts with more than 90 percent budget execution; and 128 districts report on district performance in decentralized planning and finance through the District Performance Monitoring System (SMPD). The ICR notes that at project appraisal Mozambique had 128 districts but added 22 new ones in 2013, bringing the total number to 140. (See ICR pp. 14-18).
The project met the first target, with 110 out of 128 districts (number at appraisal) executing more than 90 percent of the budget included in the District Operational Plan and Budget (ICR, pg. 14). The baseline was 85.
It also achieved the second target, with all 128 districts (number at appraisal) reporting on district performance through the District Performance Monitoring System. The baseline was 0.
The districts received funds from the central government and line ministries. These funds were recorded in the government's computerized financial management system, which allowed the government to track the budget execution of all districts across a range of areas and the districts to compare their performance against others.
The target for the number of project beneficiaries was 10,368, with 30% women (indicator added in December 2010). The project reported 27,223 beneficiaries, far above the target. However, data on individual beneficiaries was not recorded; rather the information reflects the number of participants in trainings, workshops, etc., and therefore it is quite possible that individuals were counted more than once. No data are available on the number of female beneficiaries. (ICR, pg. viii)
The project completed the following key outputs (also identified as indicators) under the intermediate results areas that contributed to the project development objective.
Intermediate results area 1: Improved national support systems:

- District process dossiers and implementation manuals, distributed to all 128 districts (baseline was 0)
- The District Performance Monitoring System, rolled out to all districts (baseline was 0)
- Approximately 463 provincial trainers trained in the relevant areas of the National Decentralized Planning and Finance Project, recognized by the relevant ministries (eight times the original target of 50)

Intermediate results area 2: Strengthened participatory planning and budgeting
- 110 districts received approval of their operational plans in 2015, and disseminated them according to the three dissemination criteria outlined in the planning guidelines. This number is above the baseline of 28 but below the target of 114. Disaggregated information shows that 121 districts disseminated their operational plans in participatory meetings with their consultative councils; 116 disseminated them through radio, television or other media; and 119 disseminated them through the district monitoring system.
- 43 district councils operated according to the set of all three criteria outlined in the legislation, above the baseline of 7 but below the target of 78. The criteria were: the councils must exist at district and sub-district levels; they must meet at least twice per year; and 30% of the members must be female. An additional 61 councils were able to meet two of the three criteria.

Intermediate results area 3: Enhanced management and implementation capacity

- 91 districts closed their financial processes in the computerized financial administration system, above the baseline of 50 but below the target of 128
- The Administrative Tribunal (AT) provided either prior or post approval to 63 percent of the procurement contracts for public works planned by the districts in 2014. The baseline was 13 percent, and the target was 50 percent
- About 515 local government technical staff were integrated into the civil service. The baseline was 98 and the target was 444. The addition of these technical staff strengthened district-level capacity in core areas of administration
- 33 percent of the districts increased their own-source revenue by 10 percent over the 2013 level. This figure is below both the revised baseline of 65 and the target of 85 percent of districts meeting the 10% increase over the previous year.

Intermediate results area 4: Strengthened oversight and accountability

- 75 districts submitted their annual financial statements to the AT by deadline in 2014. This number is above the baseline of 7 but below the target of 110.
- 42 districts' financial accounts were audited by the AT. The baseline was 17 and the target was 39.
- 27 districts informed their local consultative councils about the results of the 2013 internal and external control findings. This figure below the baseline of 29 in 2010 and well below the target of 110. There was no legal mandate for districts to share the audit results with local consultative councils. In addition the target was unrealistic, as it was well above the target (39) set for audit reports to be prepared by AT (see the second bullet point above).

Intermediate results area 5: Knowledge management

- The project's webpage in government's website was updated with 12 best practices and summary district performance reports. Baseline was 0 and target was 12.
- 126 districts were using at least three established best practices in planning and finance, (reported through a questionnaire and confirmed by the province), above the baseline of 0 and target of 100
- 12 best practices had been identified and disseminated through the website, a publication, and workshops at the provincial level. Baseline was 0 and target was 12

Intermediate results area 6: Effective project management and coordination

- Five project annual work plan, budget, and monitoring reports were presented on time.

A number of manuals, guidelines, and training programs supported the major outputs noted above. In addition, over 27,200 local government staff and 39,000 members of consultative councils received training under the project.

Rating
Substantial

5. Efficiency

Neither the PAD nor the ICR presents any economic or financial analysis for the project. The project started with a delay of nine months (due to delays caused by the country's financial management and procurement systems), but was subsequently implemented in a timely manner (ICR, pg. 3). In addition, the target values of 8 of 16 indicators were revised downwards, indicating a lower efficiency than was initially planned (see ICR, pp. vii-xi). No comparative cost data are provided (e.g., with respect to technical assistance, etc.), making it difficult to assess this dimension of the project. Given the lack of relevant information, efficiency is rated modest.

Efficiency Rating
Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐Not Applicable

ICR Estimate	0	0 ☐Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of the project objective is rated high because of its close alignment with the government's reforms and decentralization strategy. The design is rated substantial based on an overall comprehensive and coherent approach, but weak elements pertaining to sustainability and explicit linkages to desired results. Efficacy is rated substantial; although the project met its PDO targets, female beneficiary information is lacking. In addition, project performance was uneven, with some targets not being achieved with respect to some key intermediate results indicators. Finally, the project did not identify and measure results with beneficiaries, which could have been addressed as part of the M&E design. Efficiency is rated modest, based on lack of information on comparative cost analysis and downwards revision of 8 of 16 targets. Based on this assessment, the project is rated moderately satisfactory.

a. Outcome Rating
Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

The project supported the government's reforms to strengthen the capacity of local governments to manage public financial resources for district development in a participatory and transparent manner. As the ICR notes, several project achievements have a good chance of being sustained (ICR pp. 21-22): financial management in line with government regulations, implemented through the use of the electronic system; participatory planning by trained officials, who, according to the ICR, are likely to stay in district administration for some time; increased transparency due to planning regulations that require participatory planning and public disclosure of planning documents and execution reports; improved knowledge through UNDP's ongoing efforts for creation of provincial knowledge centers and because districts have established reference libraries. At the central level, the project website is being maintained and the District Performance Monitoring System is expected to continue, with budget allocated by the Ministry of State Administration and Civil Service.
Nonetheless, the risks are not insignificant. The trained administrators will need to continue to maintain, and new administrators will need to acquire, knowledge and skills needed to keep the momentum of the reforms. Continued training for, and technical support to, the districts will be essential, for which the districts/provinces may need to allocate budget they may not have. Some support is available: the GIZ and UNDP are financing contracts in the provinces in which they have provided long-term support (ICR, pg. 11), and GIZ is implementing a technical cooperation program to strengthen financial management. However, training is not yet systematized and institutionalized, and is being provided instead by trainers hired by the project. In addition, there is no legal mandate for districts to publish their audit reports, thus important transparency aspects of the project are less likely to continue, unless supported by legal reforms.

a. Risk to Development Outcome Rating
Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry
The ICR notes that the project built on the experiences of previous Bank work – the Decentralization Planning and Finance (DPFP-Centro) project – as well as the decentralization projects supported by other development partners (ICR, pg. 5). In addition, the Bank helped to establish a common framework for the project in collaboration with other donors.

Quality of entry could have been enhanced by: 1) a)linking the project to the intergovernmental transfer for the infrastructure investment funds, which would have allowed for an assessment of whether the districts were responsive to community priories (ICR, pg. 22); and b) anticipating

the need for, and building in, the institutionalization of ongoing technical assistance.
The ICR also mentions that a large number of dated covenants were contained in the financing agreement and that these could have been included in the project's work plan instead (ICR, pg. 6, 22). However, it is unclear how the decision to include the covenants affects quality at entry of the project.
Overall, the quality at entry was satisfactory, with the Bank team having worked closely with the government and other partners on donor coordination and developing an agreed-upon MoU for the project. The ICR notes that the team ensured appropriate implementation arrangements with defined responsibilities for the Ministry of Planning and Development, line ministries, the AT, and the district and provincial administrations (ICR, pg. 22).

Quality-at-Entry Rating
Satisfactory

b. Quality of supervision

The ICR notes that the Bank team carried out supervision regularly and diligently, conducting 9 missions over a five-year project period (many visiting provinces and districts), and that the aide-memoires were of good quality and covered all the key issues, including procurement and financial management, and provided practical recommendations (ICR, pg. 23). The team noted progress with respect to the performance indicators realistically and downgraded the project from satisfactory to moderately satisfactory during the final mission, upon realization that a number of targets would not be achieved and due to concerns about sustainability (9 targets out of 16 intermediate results were revised after the mid-term review, 8 of them downwards). The ICR notes that the team addressed challenges on an ongoing basis, and gives the example of the team helping the Ministry Planning and Development to find a solution to the Administrative Tribunal's (AT's) demand to review approve contracts (despite the fact that the project had received an exemption from the government's procurement rules from the Ministry of Finance).
However, the ICR also observes that the task team leader changed five times over the course of the project, requiring the Bank and the client to re-establish relationships, which likely affected the degree to which program issues could be addressed efficiently. The Bank did not take steps to improve the monitoring and evaluation framework (also see section 10), an opportunity ~~for~~ which arose during the mid-term review. For example, the lack of data on female beneficiaries went unaddressed, even though it was a PDO-level indicator.
Finally, the issue of sustainability of some project activities (training and technical assistance) to continue the project-supported reforms was not addressed until about project closing, despite the fact that it had been raised in the mid-term review.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

The government delayed taking action in a number of key areas (see ICR pp. 24-25). The ICR notes that the government did not resolve a key procurement issue (with the AT insisting on the project following government procurement rules when in fact a waiver had been granted), which resulted in more than a year's delay in procuring key technical staff. The issue was ultimately resolved with high-level ministerial intervention. The Ministry of Finance also did not input the project plan and budget in the electronic financial management system in a timely fashion, which delayed project activities and payments until May 2011 (almost eight months after project effectiveness). Finally, the 2010 audit report was not issued until two months after the deadline, leading to delayed meeting among the partners and the project supervisory committee.

Government Performance Rating
Moderately Unsatisfactory

b. Implementing Agency Performance

The implementing agency was the Ministry of Planning and Development. According to the ICR, the ministry demonstrated commitment to

the project, which was instrumental in helping the project move towards its objectives. It complied with effectiveness conditions within the 90 day period, resolved the procurement issues with AT, and appointed and managed a strong team of technical advisors in decentralized planning and finance, operational planning, community participation, monitoring and evaluation, financial control, procurement, public infrastructure, and other areas—to support its Directorate of National Planning in project management (ICR, pg. 25). It also handled procurement, compiled the semiannual progress reports, and presented them at meetings with the partners, the supervisory committee, and others. It complied with the covenants, although with some delays, due to start up challenges. It effectively coordinated activities being undertaken by the various ministries and agencies participating in the project.
However, there were a few areas of weakness. The ministry did not address issues related to sustainability (see section 7), and it did not take proactive steps in seeking authorization to start a new project to continue the gains achieved in the current project. Although it started consultations with the Bank and development partners, it did not take into consideration the lead time required for project preparation and approval.

Implementing Agency Performance Rating
Moderately Satisfactory

Overall Borrower Performance Rating
Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design included a number of different indicators of outputs, with baselines and targets that adequately covered the scope of work conducted under each of the six intermediate results areas. As part of the design, the government also established the district development monitoring system, which collected data on project implementation.
The ICRR agrees with the ICR's assessment of the weaknesses in the project M&E. The ICR notes that the PDO indicator "number of districts that execute at least 90% of the budget" is misleading, as much of the budget is provided for income generation, staff salaries, and operating costs, and therefore it does not reflect adequately budget execution with respect to the community projects. It also observes that a few indicators did not allow for a proper assessment of achievement; for example, the indicator "annual increase of at least 10 percent of local revenue collection" measures increase over the previous year, whereas a cumulative indicator would show the trend over a five-year period of the project (ICR, pg. 9). The indicator on beneficiaries was flawed for not recording individual-level data (to avoid double-counting) and providing sex-disaggregated information.
In addition, although the project monitored outputs comprehensively, no systematic data are available on the quality of the outputs or key inputs. For example, no systematic mechanism was instituted to assess the quality of the voluminous amount of technical assistance and training provided. This information would have assisted with refining and adjusting project inputs, and it could have been used for assessing the quality of relevant outputs (e.g., the quality of the operational plans).
The major design oversight, however, as the ICR points out, was not establishing a system to capture data on the infrastructure projects that the districts executed as part of decentralization, and how such projects reflected the priorities of the communities they were to benefit – a main intended outcome of the project (ICR, pg.9).

b. M&E Implementation

The project performance monitoring system was rolled out only in 2013, and, therefore, data prior to this time was only from a subset of districts (the ICR does not provide the number). Thus good quality, comparable data became available only in 2013, mid-way through the project. This system was used for project activities as well as on the areas related to district administration. However, information on external audits and district participation in training was collected directly from the institutions providing the service.
The ICR notes that the Bank team reported on the indicators in each aide-memoire (although the data would not have been complete prior to 2013). A mid-term review was conducted that helped to reestablish targets for some of the project indicators (9 out of 16 intermediate results indicators) in November 2013. It was informed by three different process evaluations – the impact of technical assistance provided by the project, district governments' actions to ensure community participation, and implementation of the environmental and social management framework. It pointed to the need for assistance with engaging communities in planning, more effective transfer of knowledge and skills to government staff, and planning for sustainability (ICR, pg. 8-9).

c. M&E Utilization

The ICR states that the national government and the provinces used the information in the District Monitoring System and the district plan execution reports to assess district performance. The program's supervisory committee composed of representatives of the Ministry of Finance, Ministry of State Administration, Ministry of Public Works and Housing, Ministry of Environment, and Ministry of Public Service, the AT, and the provincial and district governments – met thrice yearly to review results (mid-year progress, annual report, and audit and financial reports) and plan future activities. However it is unclear whether the committee discussed the mid-term review, and important part of learning from M&E, and took action (or not) based on its recommendations. It is clear that capacity to implement the Environmental Management and Social Framework continued to be weak, and planning for sustainability did not materialize by the time the project closed. Neither was the issue of sex-disaggregated beneficiary data addressed.

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

The project did not trigger any of the safeguard policies and was classified as category C. Legal covenants however required the Government to update the Environmental and Social Management Framework and resettlement policy that were prepared under the previous project to ensure that the district works were implemented in an environmentally and socially sound way. In addition, the government was required to assess the degree to which district used the frameworks for their infrastructure investments. However, a study conducted for the mid-term review found that the district works were small and not likely to cause environmental damage, but also that the district administrations had limited knowledge of, and capacity to implement, these frameworks (ICR, pp. 10). The ICR notes no safeguards violations as a results of this lack of knowledge.

b. Fiduciary Compliance

The project used the country financial management system – government budgeting, single treasury account, civil servants, the government's financial management information system, and the AT. According to the ICR, the audited interim financial reports were timely and of satisfactory quality (ICR, pg. 11), except for the first one, which was delivered almost two months after the deadline. The audits identified some ineligible expenditures (i.e., payments without full supporting documents, such as list of participants at workshops and payments to personnel without prior approval of contracts by the AT), but these were subsequently reimbursed.

The Ministry of Planning and Development procured major consultancies and goods in compliance with the Bank's procurement procedures. However, procurement was delayed in early years due to AT's involvement in reviewing and approving contracts. The rating for procurement was moderately satisfactory during the first three years of implementation, due to AT's involvement (when it did not have to be involved), but was changed to satisfactory in 2013 and beyond, after satisfactory findings of the post-procurement review (ICR, pg. 11)

c. Unintended impacts (Positive or Negative)

None noted

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d. Other
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12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Modest	Substantial	Risk is substantial as training/TA are not yet institutionalized, and legal reforms are needed to continue the transparency aspects of the project.
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of ICR		High	---

Note
When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons

This ICRR endorses the following lessons (summarized) from the ICR (pp. 26-27):
Reviewing and revising the project's results framework midway through implementation would help ensure that the indicators being monitored are appropriate in tracking the project's achievements. Project teams often select indicators without taking into account their ease of tracking and their relevance in revealing the project's achievements. Once they have gained this experience, they should use the opportunity of the mid-term review to thoroughly review the relevance of the indicators
Institutionalizing community participation requires commitment by government and an appreciation of its benefits. Community participation is an expensive undertaking, especially in rural areas, where people must travel great distances to participate in meetings. Such an expense must be justified in terms of better decision-making and more satisfied citizens. Teams should consider undertaking citizen satisfaction surveys periodically to assess how effective the measures promoting participation have been. This information could then be used to design better approaches.
Providing support only for capacity building without linking it to monitoring of the delivery of infrastructure and services reduces the Bank's and partners' influence in ensuring funds for these purposes are used efficiently and effectively for district development. Because the capacity building and institutional strengthening supported under this program were not aligned more closely with the inter-governmental transfer system nor any other tool to monitor the outcome of the participatory planning process at district level, the Bank and partners could not review if the district's funds for investments were actually spent on citizens' priorities.
Working through country systems is good practice, but key systems should be in place from the outset to avoid implementation delays. The use of Mozambique's financial management and procurement systems was an important design element of the project that contributed to strengthening government systems. However, the reliance on country systems can also become a bottleneck for implementation. It is therefore important to ensure that key country systems that the project depends on are operationally effective in order to avoid delays in implementation.
Commitment and provision of resources for creation of a user-friendly computer-based performance monitoring system allows for tracking of project outcomes and outputs across a large number of project entities. The implementing agency started to develop the district performance monitoring system under the previous project and maintained its commitment throughout the project period. As a result, an effective system of tracking and reporting on district performance is in use by all 128 districts, which is generating a wealth of information on the performance of districts across a range of indicators.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is of good quality, with balanced views on the strengths and weaknesses of the project. It provides a sufficient amount of detail, based on the data available, as well as a good discussion on the shortcomings of the project to assess results.

a. Quality of ICR Rating
High