

## **The Cities Alliance**

### **2011 Consultative Group Meeting**

#### **Notes:**

#### **Mozambique Country Program Discussion**

**The objective of the meeting was to a) report back to the Cities Alliance members and partners on the preliminary findings of the Cities Alliance mission to Mozambique and b) agree on the broad parameters that will define a Country Programme for Mozambique.**

**The session was structured around the following themes:**

- Presentation of preliminary findings
- Obtain feedback from the members and non-members on these findings
- Discuss opportunities for engagement at national, local and community levels
- Agreement on Mozambique Country Program Framework and way forward

#### **Outcomes**

The meeting was well attended by both CG members and invited guests including representatives from ANAMM, the Maputo City Council, Urban LandMark, AVSI, PPIAF, Government of Uganda. As an introduction to Cities Alliance's new Country Program instrument the Director for Urban Development with the Uganda Ministry for Lands, Housing and Urban Development presented an overview of the Uganda Country Program which appropriately set the scene for the discussions to follow.

The most notable outcome is that the meeting secured an endorsement for the continuation of the Mozambique Country Program along the lines presented. A rich and constructive discussion followed the presentation of the preliminary findings from the pre-appraisal mission. The meeting concluded with the agreement that the Secretariat will lead the program development process which will be initiated with the development of a concept note outlining the strategic framework for the program. This will be followed by in country consultations in February 2011 which will inform the way forward.

#### **Defining Broad Principles**

The key theme that runs through each Country Program is dialogue. A dialogue that links national Government, local government and communities at all levels both horizontally and vertically. The findings presented are not aimed at designing another parallel program or simply adding to the existing dynamic of development cooperation. Rather the objective of the proposed Country Program is to mobilize the energy that exists with the objective of enhancing coherence and increasing the influence of the urban agenda. The critical question is what niche would benefit both existing and potential future partners to increase their influence on the urban agenda and how can the CA as a partnership best to respond to that niche.

#### **Findings**

**National level findings** - There is a great deal of good urban policy located in different ministries but no consolidated urban policy. In a sense urban policy is everywhere but no-where. In addition there are very few national Mozambican support partners active in city related issues. The identified partners principally ANNAM and a technical training institute are receiving support from different actors but in a fragmented and uncoordinated way. The opportunity exists to increase coherence in support to such institutions. In dialogue with different national partners the impression is gained that the urban challenge is perceived through a youth, unemployment and safety and security lens as opposed to a more holistic understanding of the role of cities in the national

economy and the positive opportunities derived through well managed urbanization. One of the critical questions for a Country Program is how to support an appropriate government ministry to be the national champion of the urban agenda?

**Municipal level findings** - The most significant finding points to critical staff capacity and effectiveness issues. The challenge is how to leapfrog from small capacity interventions to a program that looks at capacity constraints from a more systemic point of view. Mozambican cities and towns are also characterized by low revenue collection and very little integration of municipal functions, for instance, it is not the norm to have a position that integrates municipal functions such as that of a municipal manager.

**Community society level** – there is very little evidence of organized civil society however there is strong evidence of a relationship between government, especially local government, and community members.

**Key issues raised in response to findings and opportunities for engagement:**

- **Capacity** - Municipal capacity has increased in the last 10 years, however, cities and towns are expanding faster and therefore outstripping capacity. It has to be recognized that municipalities and municipal development is still relatively new in Mozambique with only slightly more than 10 years experience in this area. Despite this there is a growing body of good practice emerging in different cities and towns of which the sharing of these lessons and practice is supported by ANAMM. These include things like improvement in collection in revenue and participatory planning. Although several good policies and strategies have been developed the municipalities lack financial resources and capacity to implement these. Progress in this regard is being made through the Pro Maputo project supported by the World Bank. The World Bank is in the process of designing a new program with 19 municipalities. These municipalities are very new and there are significant challenges including confusion between the roles and responsibilities of the municipalities and that of national government. Although there are good universities enough skilled staff are not being produced at the rate that is required.
- **Urban analysis** - The response from ANAMM and the World Bank was that the country was generally over researched. The gaps exist around creating a database or information repository; strengthen dissemination and creating new systems that new research can build upon. ANAMM cautioned not to focus on the concept of the city in the classical sense but to include all 43 municipalities including those that will be established in the near future. It would be important to reflect on how to add value to the work that was already done e.g. the ANAMM municipal profiles, World Bank study on the 10 years of municipal development in Mozambique, etc.
- **Community involvement** – There is agreement with regard to evidence of political connectivity. There are very well organized hierarchical structures in settlements where local officials are very involved in land management with significant codified practices which could offer a way of bridging the informal and formal framework. There are places in Mozambique where participatory budgeting is taking place however not yet at scale.
- **Private sector involvement** - Although there is significant scope for engagement with private sector this area is underdeveloped. The issue of PPPs is very new in Mozambique with PPP legislation launched only 2 months ago. Although the issue of PPPs is very new there are some experiences that can be drawn from. For instance in Quelimane there are examples of community centers and waste collection. Discussions are underway between PPIAF and ANAMM regarding a possible collaboration between the two organizations.

- **National dialogue** – There is increasing political appreciation for urbanization however cities are still not seen as engines of growth. Discussions will start in November to establish a national urban forum. This initiative is supported by UN-Habitat. Actions are underway to secure political buy-in including preliminary discussions with ANAMM. It was suggested to follow up on the recent national urban forum focusing on land (supported by MCC) and to draw lessons from the experience.
- **Development cooperation** – The French Government is implementing a program with the Inspector General of Finance which supports internal audits of local governments through a dedicated advisor who can be made available for support to the CP.
- **Revenue collection/enhancement** - ANAMM is supporting an initiative to look at what could be done to improve revenues and improve community interaction and would recommend a study that would pre-identify what revenue sources are available to municipalities. It is also important to be reminded of the historical context. Communities are not used to paying taxes or fees. In the past communities received donations or aid and started to neglect their own fiscal responsibility. Fiscal education is needed to address the culture of non-payment. Institutional capacity building is required in revenue management to avoid fraud and corruption. ANAMM is trying to monitor local authorities in this regard to try and avoid malpractice. Recent studies show that there is 69% untapped potential for revenue enhancement with the biggest source being property tax.
- **Institutional analysis** – the institutional analysis is very well contextualized. There is agreement that a number of fora and groups already exist and that the CP should incorporate these into the institutional arrangements. There is also recognition that coordination could be improved amongst the various groups. At one point UN-Habitat ran a municipal development group as a sub group of the decentralization group which could be revived. It is recommended to expand the institutional mapping to include the Ministry of Finance and the National Council Sustainable Development which is responsible for approving policies and strategies to improve urban settlements.

**Attachments:**

Presentation - Mozambique Country Program Preliminary Findings