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PROJECT PROPOSAL

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Annex I

Description of the Action



Decentralization for Development

Decentralization for Development - D4D

Mozambique

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List of Acronyms

LIST OF ACRONYMS	
AACID	Andalusian Agency for International Cooperation for Development
ADEL	Local Economic Development Agency
AECID	Spanish Agency of International Cooperation
ANAMM	National Association of Municipalities of Mozambique
C&V	Communication and Visibility
CO	Country Office
CSO	Civil Society Organisation
CTA	Chief Technical Advisor
DELPAZ	Local Development for the Consolidation of Peace in Mozambique
DGPP	Decentralized Governance Promotion Program
DIM	Direct Implementation Modality
DIMAGI	Digital Solution for Impact Society
DO	Development Observatory
DNPF	National Directorate for Planning and Finance
EC-UNDP	European Commission - United Nations Development Programme
EU-UNDP	European Union - United Nations Development Programme
EDF	European Development Fund
ERP	Enterprise Resource Planning
GIZ	German Government's Development Service
HACT	Harmonized Approach to Cash Transfer
ICT	Information and Communications Technology
IFAPA	Institute for Training in Public and Local Administration
INE	National Institute of Statistics
LD&LG	Local Development and Local Governance
LED	Local Economic Development
Linkinmodex	Linking Mozambique Development Experts
M&E	Monitoring and Evaluation

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MAEFP	Ministry of State Administration and Civil Services
MEF	Ministry of Economy and Finance
NGO	Non-Governmental Organization
PFM	Public finance management
PMU	Project Management Unit
PND	National Decentralization Plan
Pro PALOP TL SAI	Project for Strengthening technical and functional skills of Supreme Audit Institutions in Portuguese Speaking Countries of Africa and Timor Leste
RP	Responsible Party
SDG	Sustainable Development Goal
e-SISTAFE	Electronic State Financial Administration System
SPO	Planning and Budgeting System
SSE	Social and Solidarity Economy
SUNRED II	Sustainable Management of Natural Resources For Resilient and Equitable Growth and Development Project
TA	Technical assistance
TOR	Terms of Reference
UEM	University Eduardo Mondlane
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNV	United Nations Volunteer
UP	United Purpose
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women

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Project Description

Project title	**Decentralization for Development - D4D** CRIS NUMBER: Contract number
Project location	Mozambique
Project Budget	Total cost of the Action 6,961,220 USD This project is co-funded by: - United Nations Development Programme (UNDP) with an amount of 1,950,000 USD
Project duration	48 months
Executive summary	The Decentralization for Development – D4D project is part of the EU programme "Support to the consolidation of peace process in Mozambique: Support to Decentralization" The project is expected to contribute to the Government's national program to support decentralization, which will be supported by UNDP through its Decentralized Governance Promotion Program (DGPP). The National Decentralization Plan (PND) is, during the formulation of this proposal, still in progress. The project will focus on different interventions at the national and subnational levels. Throughout this proposal, the subnational level refers primarily to the provincial level, and the scope of the subnational level interventions for this proposal encompasses the provinces of Sofala, Cabo Delgado, and Manica, which together make up the three selected pilot provinces for this project. **At National Level:** The project is in line with the priorities of the EU and the Government of Mozambique. The project intends to work on the policy framework in two strategic lines: 1) In the short-term, it will focus on the policy level by supporting the implementation of the revised legal tools for the decentralized governance bodies (which throughout this proposal refers to the Provincial Assembly, Provincial Governor, and Provincial Executive Council) and the provincial bodies of State representation through the provision of demand-responsive short-term technical assistance (TA) to provincial and national authorities. To do so, the project will focus on: a) Identification of TA needs related to the new decentralization package on institutional, fiscal and developmental issues to support decentralized governance bodies and the provincial representatives of State. The issues supported will include sustainable economic development, governance and public

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	management processes, social inclusion, and gender empowerment issues. b) Establishing a knowledge-sharing and TA network between national institutions responsible for the implementation of decentralization reforms and subnational governments and institutions (Provinces). It is a sex-disaggregated roster of eligible Mozambique experts at different administrative levels (Ministries, Provinces, Districts and Municipalities) across the various relevant specializations qualified and available to provide short term technical assistance related to decentralization, governance and developmental issues. The Ministry counterparts have indicated a great interest in supporting this activity and are confident that the short-term TA missions can be integrated within the responsibilities of the public officials. While the project will not pay an extra salary to government employees providing TA, the project will cover transportation and per diem costs in accordance with the Government's rules for official working missions in order to facilitate the TA. National and international consultants will also have the possibility to contribute as TAs. In order to secure the sustainability of the TA network, the database will be hosted by MAEFP or MEF, and will be accessible to officials of the national and subnational governments and institutions. It will be designed in a secure and user-friendly manner and users will be trained in how to use database, such that the database can be applied widely. c) Harmonizing the territorial strategic planning instruments used by the districts and provinces to have a single template that links up with the sectoral plans in terms of budget and indicators and which aligns with the Sustainable Development Goals (SDGs). This will contribute to localizing the SDGs, which refers to the process of taking into account the subnational context in the achievement of the 2030 Agenda. The process acknowledges that all 17 SDGs have targets directly related to the responsibilities of subnational governments, such as municipalities and provinces, and that these governments must be at the heart of the 2030 Agenda. Within this proposal, SDG localization will largely focus on integrating the SDGs into subnational plans and policies. d) Improving the communication capacities of the Ministry of State Administration and Civil Services (MAEFP) and the Ministry of Economy and Finance (MEF) to ensure smooth communication and efficient information exchange between the national level and the decentralized and deconcentrated state administrations. e) Supporting the reform of the existing monitoring and budgeting system at the different layers of the public administration, training official servant for using the electronic State Financial Administration System (e-SISTAFE) at provincial, district, and municipality level.

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	f) Supporting the National Association of Municipalities of Mozambique (ANAMM) in localizing the SDGs at municipality level within the pilot provinces. Supporting ANAMM in this process will include an analysis of where municipalities stand in terms of their SDG contributions, and the identification of relevant SDGs that align with municipal and provincial priorities. To complement this, sensitization to the SDGs at community level will be ensured through community radios. In the short and medium-term, the project will focus on supporting existing mechanisms for dialogue between the national and subnational levels for supporting the implementation of the decentralization process. To support the two strategic lines, the project will work closely with MEF and MAEFP in order to develop a standardized monitoring and budgeting system. **At Provincial Level:** The project will seek to implement national policies and reforms in the field of decentralization by testing the reforms at subnational level in the three selected provinces. To this end, the project will focus on aspects of local governance and socio-economic development. This will include testing fiscal and development issues to support decentralized governance bodies and the provincial representatives of State. The issues covered will be sustainable economic development, governance and public management processes, social inclusion, and gender empowerment. This will be done by conducting a participatory strategic planning process that leads to: A) Effective functioning of Provincial Coordinating Councils to facilitate horizontal and vertical intergovernmental relations by using the Development Observatories (DOs), which have existed at provincial level since 2005. By building on existing local governance platforms or coordination mechanisms, the project avoids duplication and inventing new systems that are already in place. The project will also support the provinces in improving their coordination regarding international cooperation through annual meetings including both training and planning support. B) Supporting the decentralized governance bodies and the provincial representatives of State in the implementation of national Planning and Budgeting System (SPO) reforms by Supporting the implementation of local governance mechanisms within the local administrations. C) Review and update of provincial strategic socio-economic development planning for alignment with the SDGs and to the territorial and national strategies, putting into practice local economic development strategies. This will involve: - Training local experts in localizing the SDGs - Carrying out a provincial diagnosis of leaving no one behind (including profiles of vulnerable groups) in order to facilitate inclusive planning and alignment with SDGs at provincial level;

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	- Financing some of the impact projects of the strategic planning to test the coordination and effectiveness of the different layers of the local administration. The projects will be small-scale yet catalytic in nature through partnerships for resource mobilization. - Improving and strengthening local administration capacities for delivering quality services to the population. - Implementing local economic development strategies for improving local population standard of living. D) Testing administrative reforms at the subnational level to decentralize services and competencies at the territorial level: legal services, socio-economic development initiatives, improving the procurement capacities of provincial and municipality administrations for ensuring timely and efficient provision of good and services. E) Capacity building: Strengthen the national and local capacities of civil servants of decentralized governance bodies and provincial bodies of State representation the management of new decentralized competences and in matters related to the sustainable development of their territories (SDGs, gender, strategic planning). This project will be implemented in a COVID-19 context and adapted as necessary for a successful completion after concertation with steering committee members. There will be a strong gender component throughout the project implementation. Additionally, the project will coordinate closely with other actions, projects, programmes and initiatives operating within the same field in order to complement activities, build on lessons learned, and avoid duplication. In particular, for the socio-economic components of the project, close coordination with the European Union funded action in Local Development for the Consolidation of Peace in Mozambique (DELPAZ) will be ensured. For the capacity building component of the project and for any intervention interacting at municipal level, coordination will be sought out with the German Government's Development Service (GIZ). Throughout the process, close coordination with the Financial Services of the Executive Secretary of State will be guaranteed. Finally, for the component of localizing SDGs, coordination with the existing initiative led jointly by UNDP and the Andalusian Government cooperation on localizing the SDGs will be ensured.

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SECTION I – INTRODUCTION, CONTEXT AND PROPOSAL

1. INTRODUCTION

The Decentralization for Development – D4D project was conceived as part of the European Union's support programme for Mozambique through the strategy "Support to the Consolidation of Peace Process in Mozambique: Support to Decentralization CRIS number: MZ/FED/042-445 financed under the 11th European Development Fund (EDF)". As stated in the Financing Agreement NO MZ/FED/042-445, part of the project will be implemented by UNDP, particularly the strategic objective 1, "Strengthened implementation of the revised legal mandates for decentralized governance institutions", through the outputs 1 and 2, which are related to promoting inclusive and sustainable social development and gender empowerment in subnational governance and revising the legislation and mandates for a broad dissemination and implementation at subnational level.

This Decentralization for Development – D4D project proposal is framed within UNDP's Decentralized Governance Promotion Program (DGPP), which is based on an agreement between UNDP and the Government of Mozambique and which has integrated the actions financed by the European Union within the strategic framework. The DGPP has therefore provided the backdrop that allowed for the development of this innovative proposal.

Using a territorial approach, the project supports the implementation of the decentralization reforms at both national and subnational level by Testing, Doing and Impacting in regard to the improvement of national and subnational institutions' capacities to carry out the decentralization reforms. Throughout this proposal, the "subnational" refers to the provincial level. Similarly, the project will invest in both local demand for good governance and capacity of the decentralized governance bodies (which throughout this proposal refers to the Provincial Assembly, Provincial Governor, and Provincial Executive Council) and the provincial bodies of State representation order to more efficiently and accountably provide services to the rural population and economy, while paying attention to the improvement of the socio economic situation of women and groups living in vulnerable situations

The project aims to improve the capacities of the Central Governmental national institutions and decentralized governance bodies and the provincial bodies of State representation to manage current and new competences that will be assigned to them in the framework of the ongoing decentralization process in the country. To do so, the project foresees a phase of trainings, networking, coaching, and financing subnational governments in order to test the new competencies, by putting financial and human resources into action.

With a strong gender component and in line with the EU Financing Agreement, the project will stress the important role that subnational governments can play in the promotion of gender equality and women's empowerment through non-discriminatory service provision and fair employment practices, tackling violence and harmful practices against women, and providing support services that reduce barriers to women's equal access, control and ownership of land and other resources. The gender component will be implemented in close coordination with the existing Spotlight Initiative led by the European Union and the United Nations, of which UNDP is one of the core agencies. The Spotlight Initiative works with the Government of Mozambique to eliminate all forms of violence against women and girls at a central level but also at a provincial level in Manica, Nampula and Gaza.

Moreover, the technical assistance to be provided through the activities of the Decentralization for Development – D4D project at national and subnational level will introduce methodologies, tools and techniques to ensure that gender equality is mainstreamed in subnational development and operational

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plans, financial instruments and in monitoring and reporting to improve women's access to basic services and tackle the multiple barriers to women's empowerment. The activities will show how participatory mechanisms and processes can be enhanced to specifically target women and identify their needs and priorities, with a particular emphasis on targeting the most vulnerable.

Similarly, planning and gender responsive budgeting initiatives, with the purpose of linking the government's gender commitments to actual resource allocation and use, will introduce greater accountability and transparency regarding gender equality in the development process. In line with this, special importance will be given to gender mainstreaming into local budgeting and planning mechanisms through the reinforcement of the MEF's ongoing initiative of improving the "carteira de programas" – the list of programs and subprograms where gender is included as a Program and different sub-programs are proposed.

Finally, evidence shows that women are under-represented in the public administration and particularly in senior, managerial and decision-making positions. Hence, the project foresees work on gender sensitization at the level of subnational public administrations and in the national and subnational coordination mechanisms. Indeed, the project will advocate for the integration of strategic pillar of women's empowerment into the provincial strategic plans and the realization and implementation of territorial equality plans within the existing yearly planning and budgeting exercise.

1.1. Objectives: Outcome

The overall objective includes the following outcome:

Strengthened democratic governance and peacebuilding in Mozambique through supporting the decentralization process, enhancing the ability of national Ministries (MAEFP and MEF), the decentralized governance bodies and the provincial bodies of State representation to provide quality public services to citizens, improve socio-economic conditions and reduce conflicts.

The specific objectives include the following outcomes:

1. Strengthened technical capacity of the National Government, the decentralized governance bodies, and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).
2. Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.

1.2. Relevance of the Project

- The Government of Mozambique, as part of its measures to approach decentralization reforms in Mozambique, will prioritize the work on the implementation and revision of the legal tools and official documents subnational level.
- With the introduction of the new Decentralization Package, it is necessary for the civil servants, including at the leadership positions and mostly at subnational level, to understand and acquire knowledge on how to implement the new reforms linked to the process. Improving the capacities of the subnational governments is also a priority objective, as this project aims to progressively

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support the implementation of the legal tools in the context of decentralization at subnational level.

- The introduction and consolidation of the new democratically elected decentralized bodies and provincial bodies of State representation presents technical and capacity challenges, not only for the decentralized governments themselves, but also for the central governance institutions responsible for the legislative and regulatory framework; for development planning and public financial management systems; and for monitoring and oversight of subnational governance.
- The new decentralized governance bodies and provincial bodies of State representation will need to exercise their democratic mandates to achieve greater effectiveness, responsiveness, and accountability in subnational governance. Furthermore, along with the elected Provincial Assemblies, they are expected to take steps to promote reconciliation and social cohesion which, through a more consensual framework for inclusive participation, engages with members of opposition parties and of civil society. Citizens and civil society are further challenged by the complexity of the reforms and for the empowerment and accountability of newly elected officials.
- It is expected that the planned deepening of democratic decentralization to district level in 2024-5 will enhance opportunities for broader inclusion of diverse political interests. It will have a particularly relevant impact in Mozambique's rural areas, where 66.7% of the population are under the administration of the district.
- Districts are key entry points, significant in both political and developmental terms. Thus, special attention will be paid to include districts in provincial planning.
- An institutional framework that will capacitate and prepare public officials at all levels as well as legislators representing all political parties to effectively implement the next cycle of decentralization reforms is paramount. In this regard, supporting existing training mechanisms such as the Institute for Training in Public and Local Administration (IFAPA) by introducing new skills to address the new decentralization process is extremely important to accelerate the process of introducing reforms at the public administration level gradually.
- It is imperative to support existing mechanisms for dialogue and coordination between the national and subnational levels. For the national level, this will include supporting the National Coordination Council. At the subnational level, which include the decentralized governance bodies of the province and the provincial representatives of State, special importance will be given to existing governance mechanisms such as the Inter-Institutional Dialogue Mechanism for the consolidation of subnational governance, namely the Development Observatories (DOs) and Provincial Coordination Council (Conselho de Coordenação Provincial).
- Using the localization of the SDGs at the subnational level will serve to ensure that the SDGs are at the heart of the decentralization process, integrating the SDGs into subnational plans and policies. Localizing the SDGs refers to the process of taking into account the subnational context in the achievement of the 2030 Agenda. The process acknowledges that the 17 SDGs have targets directly related to the responsibilities of subnational governments, and that these governments must be at the heart of the 2030 Agenda.
- It is crucial at the institutional level to reinforce the capacities of National Association of Municipalities in Mozambique (ANAMM) in order to provide tailor made assistance to the municipalities within the pilot provinces in terms of the new decentralization challenges and localization of SDGs.
- It is necessary to be able to finance specific projects at provincial level to test the coordination and articulation capacity of public administrations.

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- Building on the Local Economic Development (LED) approach will be relevant, as it sets out to create decent jobs and sustainable economic development by a participatory process that empowers the role of local public and private sectors as well as social and political groups in the formulation and implementation of development strategies. The project's LED approach will help to identify local economic development opportunities through the analysis of territorial processes, territorial capacities and territorial services. The LED processes are led by public administrations and involve civil society and the private sector.

2. SOCIO-ECONOMIC AND DECENTRALIZATION CONTEXT

Over the past two decades, Mozambique has successfully navigated myriad governance and economic challenges. Sound macroeconomic management and several large-scale foreign investment projects in the extractives sector led to real GDP growth averaging 7% between 2000 to 2015[1], making Mozambique one of the best performing economies in Sub-Saharan Africa. Moreover, Mozambique's efforts for enhancing transparency and strengthening oversight of the extractive sector - which contributed 3.5% to GDP and 20.6% to overall revenues in 2014 - were duly recognized by the Extractive Industry Transparency Initiative as representing 'meaningful progress'[2]. The expectations of shared prosperity and improvement of nation-wide living conditions following the discovery of natural gas in 2010 and the consequent expansion in the extractive industry as a whole emphasized the critical role of decentralization as a means of achieving greater equity in resource sharing, with greater finances being made available to subnational authorities and provinces to deliver better public services based on resource revenues.

However, despite the positive trends between 2000-2015, the past few years have witnessed several challenges, including a significant and rapid deterioration in Mozambique's economic performance and outlook. This has been driven by a global decline in commodity prices that has reduced export growth for key commodities; high inflation; a depreciating Metical; and growing levels of public debt. By the government's own admission, there is growing public dissatisfaction with public services and perceptions of corruption are high[3]. Similarly, weaknesses in governance of State-Owned Enterprises, public investments and public debt led to the 'hidden debt' crisis and to foreign debt constituting 70% of GDP in 2016[4].

Furthermore, Mozambique's strong economic performance between 2000-2015 did not translate into tangible improvements in living standards for all segments of society. Employment conditions remain problematic, with nearly 40% of youth (ages 15-24) unemployed, female unemployment at 27% overall and only 14% employment in the formal sector[5]. Gender inequalities abound, with Mozambique ranked 127 out of 160 countries on the Gender Inequality Index for 2019[6] and less than 10% municipalities have female mayors[7]. Additionally, poverty incidence was estimated at 46.1% nationwide in 2015, being particularly high in the North (55.1%) and Central (46.2%) regions of the country[8]. Indeed, the positive

[1] Average GDP Growth 2000-2015, World Bank Data
[2] Board Decision of the Validation of Mozambique, EITI 2017
[3] Report on Transparency, Governance and Corruption, Government of Mozambique 2019
[4] Cited in http://allafrica.com/stories/201605040005.html.
[5] Mozambique County Brief, ILO 2016
[6] UNDP 2020 http://hdr.undp.org/en/content/gender-inequality-index-gii
[7] Subnational government System in Mozambique: Country Profile 2017-2018, Commonwealth Subnational government Forum, 2018
[8] Mid-Year Socio Economic Update, UNDP Mozambique, 2019

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effects of reduction in poverty by 1% every year between 2000-2015 has been offset by growing inequality, with wealthy households able to consume thrice the amount the bottom 40% consume[9] and wide variation in the poverty across provinces. There is also a clear rural-urban divide, with poverty higher in rural than in urban areas[10]. Supporting decentralization efforts is critical if wealth is to be spread evenly across the country and so that no one is left behind.

The outlined challenges have been further compounded by conflict, natural disasters, and COVID-19. The armed conflict that affected Mozambique from 2013 – 2014 was particularly pronounced in Sofala and there is still localized attacks from a break away group of the opposition party Renamo[11]. Moreover, since 2017, Mozambique has been facing escalating attacks led by an insurgent group in the northern province of Cabo Delgado. The attacks have resulted in over 2,000 deaths and over 30% of Cabo Delgado's population has been displaced[12]. In March and April 2019, Mozambique was hit by the crippling and widespread devastation—estimated at US$ 3.2 billion[13]—caused by two back-to-back cyclones (Idai and Kenneth), heavily affecting the provinces of Cabo Delgado and Sofala. As a result of COVID-19's onset since March 2020, Mozambique is expected to experience large external and fiscal financing gaps in 2021, in a vulnerable context characterized by exposure to external shocks and limited fiscal space and where a sizeable number of Mozambicans may fall back into poverty, reversing the progress made thus far[14].

2.1. Unpacking the Decentralization Context

Initiated in 1997, decentralization reforms favored a gradual approach, with the creation of a limited number of autonomous municipalities (currently 53, in urban areas) and deconcentrated entities at provincial and district levels. This first round of decentralization reforms empowered municipalities with greater fiscal autonomy and the right to elect their subnational representatives for the municipal assembly and executive office (mayor). It also devolved key administrative functions such as public finance management (PFM), territorial planning, and land management as well as key infrastructure and services delivery responsibilities. Provinces and districts as well as sub-district levels (administrative posts and localities) remained deconcentrated government entities with no fiscal or administrative autonomy and served as extensions of the central state.

In May 2018, the Parliament approved a punctual revision of the Constitution, as one of the key outcomes of an agreement between the President Nyusi and the former leader of RENAMO, Afonso Dhlakama (the main opposition Party in Mozambique), within the framework of peace talks. The 2018 constitutional changes opened the way for a second round of decentralization reforms, and the country is taking a step forward toward greater autonomy for provincial and district governments. Subsequently, a new legislative package of laws defining the new decentralization framework, known as the "Decentralization Package", was approved before the October 2019 elections[15]. These laws include the following: the law on the election of the provincial assembly and the governor, the law on the tutelage from the central government on provinces and municipalities, the law on the composition and functioning of the provincial assemblies, the law on the organization and functioning of the central government entities at the provincial level, and the financial law for provinces.

[9] Mozambique Economic Update, World Bank 2019, accessed on worldbank.org on 25 August 2019
[10] Mozambique Urbanization Review: Accelerating Urbanization to Support Structural Transformation in Mozambique, World Bank, 2017
[11] Attacks in Mozambique's central provinces will persist, Oxford Analytica, 2021
[12] More than 700,000 displaced in Mozambique's conflict-torn north, UNHCR, 2021
[13] Mozambique Cyclone Idai: Post-Disaster Needs Assessment, Government of Mozambique 2019
[14] World Bank Helps Mozambique Mitigate Impact of Covid-19 with a New $100 Million Grant, World Bank, 2020
[15] Decentralization reforms in Mozambique, Forquilha, 2020

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In the October 2019 elections, for the first time ever in Mozambique, Provincial governors were elected, while in 2024 it will be the turn of district Administrators. Thus, local governments will have specific administrative functions and resources to provide basic infrastructure and services at the appropriate level. However, while the new round of decentralization reforms is expected to increase autonomy of provincial and district governments, this will require concerted efforts to strengthen their institutional capacity to fulfill their new mandates. This is particularly true in the context of COVID-19, which left the Government with gaps in financing and capabilities, preventing the timely implementation of key activities related to capacity building of the new organs related to the decentralization package.

The agreed policy and reform agenda promised potentially far-reaching change to the scope and impact of decentralization in Mozambique, enshrining the principle of subsidiarity and the systematic devolution of defined functions to Mozambique's ten provinces and, from 2024 onwards, to the 154 districts. Nevertheless, the changes enshrined in Law 1/2018, maintained the organizational logic of a unitary state through giving the President the right to nominate a Secretary of State, or 'representative of the (central) State' at sub-national tiers of government. One of the most controversial points of the revised constitution is the the nomination, by the President, of Provincial Secretaries of State with the function of guaranteeing and supervising the execution of sovereign, exclusive functions and services of the State at subnational level. These include (i) territorial administration and its organization, (ii) defence and police, (iii) border control, (iv) central bank functions (emitting currency), (v) foreign policy and diplomacy, (vi) natural, land and maritime resources in the exclusive maritime management zone of the continental shelf, and (viii) tributary functions and taxation, these being defined as functions of the State and at provincial level the Secretary of State.

This new policy agenda for decentralisation in Mozambique is complex and presents enormous political and practical challenges, and the sustainability of its implementation is questionable due to lack of consensus over the foundational principles of decentralisation and the widely contested legislation and regulations concerning provincial decentralization.

2.2. Decentralization Challenges

Issues of adequate financing lie at the core of the ability of subnational governments to deliver on their mandates. Although fiscal decentralization is expected to improve due to the approval of the law on fiscal decentralization, the law is still lacking operational regulation. Additionally, there is no professionalization of the procurement function and not all municipalities have a Procurement Unit[16] in their organizational structure. Internal and external controls of public expenditure are weak at decentralized levels, and mechanisms for public participation and accountability are often superficial.

Moreover, it is not just the quantum of financing, but its composition which is problematic: since 2008, capital investments have been declining, and recurrent expenditures rising[17]; while in absolute terms the budgets have increased, the dual effect of inflation and currency depreciation mean that the purchasing power of budgets have declined and in real terms, allocation in social sectors are below the levels of 2014[18]. District level allocations have been increasing at the cost of provincial allocations, which stood at 14.7% in the 2019 Budget Proposals compared to 18.8% for districts. Municipalities receive less than 2% of the budget. These issues point to a conclusion that if sub-national levels, including

[16] Unidade Gestora de Aquisições
[17] Analysis of Social and Economic Sectors, UNICEF 2018
[18] Ibid

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municipalities, are to function effectively, they will require appropriate levels of financing. Furthermore, while allocation of the Municipal Compensation Fund[19] and the Municipal Initiative Investment Fund[20] are based on a formula, the actual allocations differ from the budget [21].

The share of central government resources in subnational entities' budgets reinforces the inequalities across these entities. Subnational expenditures, in aggregate, show wide variation between provinces, potentially increasing inequities between Mozambique's regions. There are notable gaps in per capita expenditures in the traditionally larger, but underserved, northern provinces of Zambezia and Nampula, which together account for nearly 40 percent of Mozambique's total population. Current district expenditures are also not adjusted for poverty levels—a comparison of district expenditure and average district poverty levels shows that resources are not distributed based on need.

Similarly, with the creation of provinces as decentralized entities, clarity in the assignment of service delivery responsibilities among the different tiers of the government has become a pressing issue. The current assignment of service delivery responsibilities lacks clarity as the legislation assigns overlapping functions to provinces, districts, and municipalities. This generally results in inefficient and unaccountable service provision.

Both the decentralized governance bodies and the Office of the Provincial Secretary of State will prepare annual plans and budgets and will use the electronic State Financial Administration System (e-SISTAFE) for both financial planning and execution. The annual plan and budget of the decentralized Provincial Governments will need to be approved by the Provincial Assembly. However, it is not clear in the current draft regulations how these annual operational plans will, if at all, be coordinated and how the question of overlapping or complementary functions will be resolved. In addition to this, it is not clear how, for example, a specific provincial development strategy will compel the alignment and coordination of the annual planning of these different bodies of government, if a meaningful policy and strategic paper focused on territorial development is lacking.

Given the current lack of clarity in the distribution of functions within the provincial decentralized bodies, a question remains regarding how decisions relating to the distribution of staff and resources between the different bodies will be made. Fiscal decentralization policies and strategies should (ideally) reflect the equitable and transparent distribution of public resources. To this end MEF is understood to have been working on a fiscal transfer mechanism (and formula) for the newly created Local Governments. A similar system will need to be developed for District Governments that will be elected in 2024. However, it has been suggested that unlike the 'block grants' attributed to Municipalities, the budgets for the decentralized bodies may be conditioned or 'segmented' with allocations ringfenced to certain functions or services. It remains to be seen what transpires, but clearly such a move would compromise their decision-making autonomy.

Nevertheless, positive steps are being seen in the recent approval of the *Law of Division of Competencies*, based on sectoral matrix on which competencies have been decentralized to each provincial body, and in the currently ongoing functional study at provincial level, which seeks to identify the gaps in the decentralization package in order to be able to correct these. UNDP's entry point to working with decentralization at provincial level will therefore include supporting the National

[19] Fundo de Compesação Autarquica
[20] Fundo de Investimento de Iniciativa Autarquica
[21] National Urban Development and Decentralization Project, World Bank 2018

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Coordination Council in its work to outline the current functions and competencies at the administrative level of the decentralization package.

2.3. Decentralization Partnerships

There are a number of international partners in Mozambique to support the decentralization reform, reflecting how decentralization is viewed as a key element in Mozambique's development Agenda. Different partners have been engaging with Government to support different pieces of the decentralization process. The table in Appendix 1 identifies different projects or programmes supported by different partners and covering different geographical areas. In the table, a full picture of the existent support to the decentralization process based on the members of the country's Decentralization Working Group allows to identify possible gaps of support, identify different modalities of support and areas for effective coordination and policy dialogue.

2.4. UNDP's Decentralization Work

UNDP has a strong track record of supporting decentralization in Mozambique since 1998. The table below outlines some of the decentralization work that UNDP has supported:

Project/ Programme	What	Where	When	For Whom	Institutional Framework	Budget
Decentralized Governance Promotion Program (DGPP)	Implementation of reforms for inclusive decentralized governance, shared prosperity, and a more capable subnational government system + addressing gaps in institutional capacity.	National and specific Provinces to be agreed with the Government within 2021	2020 – 2024	Official bodies, Local administration, National official bodies, CSO, Private sector	MEF, MAEFP, subnational governments	Planned USD60 M (under mobilization) over 6 years
Enhancing Decentralization and Local Development in Mozambique (Link)	Project aims at enhancing decentralization and local development process in Mozambique + This project aims at consolidating the recently established National Programme for Participatory Decentralized Planning and Finance (PNPFD) under Ministry of Planning and Development (now MEF).	Cabo Delgado and Nampula	2012-2018		MAEFP + MPD (now MEF)	USD6.37M
Articulation of Territorial and Thematic Networks – Programme to Support Local	Strengthened operationalization of the Action Plan for the Reduction of Absolute Poverty for PARPA II, which, among other goals, advocates "rural development as the process of improving living	Cabo Delgado, Nampula, Inhambane, Gaza, Maputo, Niassa	2007-2012		MAEFP, DNPDR, Local Consultative Councils, Provincial Coordination Committees, Provincial Directorate of	USD1M

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Economic Development (ART-PAPDEL)	conditions and of prorural transformation of the pattern of wealth creation and accumulation in Mozambique"				Agriculture, Provincial Directorate for the Coordination of Environmental Action, Provincial Directorate of Education and Culture	
District Support Project I and II	Access by rural communities to basic infrastructure and public services, through sustainable and replicable forms of decentralised participatory planning, financing, and capacity building at the district level.	Phase I: Nampula, Phase II: Cabo Delgado and Nampula	1998-2001 2002-2006			Phase II: USD14 M , co-funded by Royal Govt of Norway, Royal Govt of Netherlands and Government of Mozambique.

3. THE PROPOSAL

The Decentralization for Development – D4D project provides an opportunity to stimulate national and local development policies and dynamics and find innovative solutions for building institutional resilience for coping with challenging scenarios.

The project will focus on different interventions at the national and subnational levels. Throughout this proposal, the subnational level refers to provinces, districts and municipalities. Nevertheless, the action of this project will be focused at provincial level. The scope of the subnational level interventions encompasses the provinces of Sofala, Cabo Delgado, and Manica, which make up the three selected pilot provinces for this project.

At the national level, the interventions will support concrete actions aimed at supporting the revision of legal mandates related to decentralization, analyzing subnational governance frameworks, supporting the existing national/subnational coordination mechanism and the identification of a Mozambique-based network of experts to provide technical assistance to provinces, districts and municipalities on the effective implementation of the decentralization reforms. At the subnational level, the project will support the subnational institutions in testing the decentralization reforms by putting concepts into practice. Finally, all these coordinated interventions aim to support the subnational institutions to deliver quality and timely services to the local populations. Such interventions are based on the framework of existing programs and are in synergy with the work of other development partners in Mozambique along with UNDP projects running at the subnational level.

At the national level, the project is in line with the EU and Government of Mozambique priorities. The project intends to work on the policy framework along two strategic lines:

1) In the short-term, it will focus on the policy level by supporting the implementation of the revised legal mandates for decentralized governance institutions through the provision of demand-responsive short-term technical assistance (TA) to provincial and national authorities. To do so, the project will focus on:

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a) Identification of TA needs related to the new decentralization reform package on institutional, fiscal and developmental issues to support provincial decentralized governance bodies and the provincial representatives of State. The issues supported will include sustainable economic development, governance and public management processes, social inclusion, and gender empowerment issues.
b) Establish a knowledge-sharing and technical assistance (TA) network database platform for the national institutions responsible for the implementation of decentralization reforms and for the subnational governance bodies and institutions (Provinces). It is a sex-disaggregated roster of eligible Mozambique experts at different administrative levels (Ministries, Provinces, Districts and Municipalities) across the various relevant specializations qualified and available to provide short term TA related to decentralization, governance and developmental issues; in addition to the elaboration of a Handbook on Local Development and Local Governance (LD&LG) and of local public administration good practices. The Ministry counterparts have indicated a great interest in supporting this activity are confident that the short-term TA missions can be integrated within the responsibilities of the public officials. While the project will not pay an extra salary to government employees providing TA, the project will cover transportation and per diem costs in accordance with UNDP'S rules, regulations and policies as well as with the Government's rules for official working missions in order to facilitate the TA. National consultants and international consultants will also have the possibility to contribute as TAs. In order to secure the sustainability of the TA network, the database will be hosted by MAEFP or MEF, and will be accessible to officials of the national and subnational governments and institutions. It will be designed in a secure and user-friendly manner and users will be trained in how to use database, such that the database can be applied widely.
c) Harmonizing the territorial strategic planning instruments used by the districts and provinces to have a single template that links up with the sectoral plans in terms of budget and indicators and which aligns with the Sustainable Development Goals (SDGs). This will contribute to localizing the SDGs, which refers to the process of taking into account the subnational context in the achievement of the 2030 Agenda. The process acknowledges that all 17 SDGs have targets directly related to the responsibilities of subnational governments, such as municipalities and provinces, and that these governments must be at the heart of the 2030 Agenda. Within this proposal, SDG localization will largely focus on integrating the SDGs into subnational plans and policies.
d) Improve the communication capacities of the Ministries (MAEFP and MEF) to ensure smooth communication and efficient information exchange between the national level and the decentralized and deconcentrated state administrations.
e) Support the reform of the existing monitoring and budgeting system at the different layers of the public administration, drawing on the e-SISTAFE at provincial, district and Municipality level.
f) Support the National Association of Municipalities of Mozambique (ANAMM) in innovative service delivery and the SDG localization process at municipality level. This process will include capacity building of officials within ANAMM to conduct an analysis of where municipalities stand in terms of their SDG contributions, the identification of relevant SDGs that can be aligned with the SDGs. In addition, efforts will be made to raise awareness about the SDGs at community level in the three pilot provinces through community radios.

2) In the short and medium term,

- Supporting existing mechanisms for dialogue and coordination between the national and subnational levels and between different layers at the subnational level for the implementation

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of the decentralization process is critical. For national coordination the existing mechanism of the National Coordination Council will be strengthened. For the coordination at provincial level, the project will support both the "Conselho Consultivo Provincial" and the local Councils for coordination between State Secretary and Districts, Administrative Post and Localities, along with the Development Observatories.

To do so, the project will work closely with MEF and MAEFP at the national level and with the Provinces representatives (elected and official servants) in order to ensure a coordinated support among the institutions involved in this process.

At subnational level:

The project will seek to support the implementation of national policies and reforms in the field of decentralization by testing the reforms at subnational level in the three pilot provinces (Sofala, Cabo Delgado, and Manica). To this end, the project will focus on aspects of subnational governance and socio-economic development.

The project will test fiscal and development issues to support provincial decentralized governance bodies and provincial representatives of State, including sustainable economic development, governance and public management processes, social inclusion, and gender empowerment issues. This will be done by conducting a participatory strategic planning process that leads to:

- Effective functioning of Provincial Coordination Councils to facilitate horizontal and vertical intergovernmental relations and improved provincial coordination for international cooperation through supporting the provinces with annual meetings including training and planning support. The project will build on existing subnational governance platforms and coordination mechanisms to avoid duplication as seen in the case of the Development Observatories and the Provincial Coordination Councils. Additionally, the creation of a reference group or provincial working group for localizing the SDGs will be requested – Terms of Reference (TORs) are attached. This group will be technically coordinated by both the Directorate of Planning and Finance of the Secretary of State and the Directorate of Planning of the Executive Provincial Body at the provincial level with the participation of all provincial units and directorates, as well as representatives of districts and municipalities. This reference group will be the target group that will be strengthened during the years of program implementation. It is a multi-sectoral and multi-actor working group representing the territorial reality of a province. This working group will be responsible for the implementation of the SDG localization process.
- Effective implementation of Planning and Budget Systems by supporting capacity building of the subnational level in budget preparation, using the new planning and budgeting module.
- Effective functioning of provincial procurement systems.
- Improve the capacities of provincial, district and municipal authorities in a way that differentiates itself from existing capacity building initiatives by preparing and implementing local development planning and linking to the SDGs by using participatory and inclusive approaches through platforms such as Development Observatories (DOs) and involving Civil Society Organizations (CSOs), private sector, deconcentrated bodies, and subnational authorities.
- The D4D project will focus on technical assistance to provincial officials on issues related to decentralization, the 2030 agenda and local leadership. Both technical assistance and trainings will be complementary to the trainings that are carried out through other projects using the

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existing Local Training Institutes. Much of this training offer will be covered by GIZ in the framework of a separate EU supported project.

- Testing decentralization reforms by implementing impact projects of the strategic planning as a means to enhance provincial capacities in partnerships mobilization and subnational project implementation.
- Supporting Local Economic Development (LED) processes to improve local socio-economic actor coordination at provincial level and to better articulate existing socio-economic social services at territorial level and improve the coordination of the international coordination in the field.

These proposals provide, on the one hand, an immediate response to the subnational institution's needs by supporting the government on the revision and dissemination of the decentralization mandates.

On the other hand, the project will support subnational government to improve their capacities to implement the reforms which apply in their territories.

In parallel to direct support to these subnational governments, elements of strengthening beneficiaries' capacities for carrying out inclusive participatory process are also included.

In the case of the TA Mozambique network, a quick selection process to create the national roster of experts will be organized in order to elaborate a list of trainers (TA experts) ready to start working immediately, including experts from both involved Ministries (MAEFP and MEF).

Based on its own experience, UNDP will engage either the University or an IT company to develop knowledge sharing platforms to connect experts with subnational governments, by using simple, user friendly tools. UNDP has extensive experience of working with similar platforms, as is the case of the Digital Solution for Impact Society (DIMAGI) project and other similar projects.

For the activities that will be implemented in the provinces, the project will work with a local NGO in each of the respective provinces (three in total). In order to build on the territorial approach, NGOs with a strong territorial presence within the respective provinces will be prioritized. UNDP has already carried out a preliminary mapping to identify potential NGOs that can become the responsible parties for implementing the activities in the respective territories.

The preliminarily identified NGOs include United Purpose (UP), which has a designated sub-office in Manica and has longstanding experience dealing with local governance and with organizing local dialogue mechanisms in setting up governance mechanisms; Ayuda en Acción, which has a territorial presence in Cabo Delgado and extensive experience working with both the province's Secretary of State and Governor; the Local Economic Development Agency of Sofala (ADEL), which was created by UNDP in early 2000, and which has over two decades of experience working in Sofala; and Helveta, which has a strong presence in Cabo Delgado and which has worked with supporting local governance through accountable decision making mechanisms.

UNDP will establish long-term agreements with the selected NGOs so that they can be responsible parties for the intended activities. As all responsible parties must be agreed on by the two Ministries, both MEF and MAEFP will be duly informed about the selection of the NGOs as well as the intended activities with the NGOs prior to creating the long-term agreement.

The Harmonized Approach to Cash Transfers (HACT) will be applicable for all the institutions that are responsible parties or implementing partners within the framework of this project. HACT entails that UNDP hires an independent international firm to assess the capacity of the given institutions to receive

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funds from UNDP, ultimately defining the risk involved in UNDP transferring funds to the institutions and dictating policies and procedures for cash transfer modality, audit, assurance and monitoring. The HACT is a commonly used by UNDP when it comes to partnerships with NGOs, Ministries, and other institutions.

The project plans on using the existing mechanism for governance coordination at both national and subnational level, as is the case of the Development Observatories (which involves subnational authorities, CSOs, private sector) and the Provincial Coordination Councils. However, for an effective technical implementation of the program, the creation of a working group or provincial reference group will be requested for the implementation of the localization process of the SDGs and the implementation of the decentralization reforms.

The choice of areas of intervention responds, on the one hand, to UNDP's proven capacity to be the leading agency in subnational governance and territorial approaches and, on the other hand, to test the methodologies in different areas of the countries facing different challenges in the field of decentralization.

The implementation strategy adopted is based on the mechanisms established by UNDP and the government to manage projects under the Direct Implementation Modality (DIM). This modality ensures the necessary ownership by national entities but with close monitoring through follow-up mechanisms that will be put in place while respecting UNDP's procedures and in accordance with the provisions of the Financial Administrative Framework Agreement and the General Conditions of this Contribution Agreement.

To this end, this proposal seeks to establish a coordination mechanism providing technical and financial information to all partners involved in this initiative through a steering committee intended for project follow up and take corrective measures if necessary.

Additionally, the project will coordinate closely with other actions, projects, programmes and initiatives operating within the same field in order to complement activities, build on lessons learned, and avoid duplication. For the socio-economic components of the project, close coordination with the European Union funded action in Local Development for the Consolidation of Peace in Mozambique (DELPAZ) will be ensured. For the capacity building component of the project and for any intervention that interacts with municipal levels, coordination will be sought out with the German Government's Development Service (GIZ). Finally, for the component of localizing SDGs, coordination with the existing initiative led jointly by UNDP and the Andalusian Government cooperation on localizing the SDGs will be ensured.

SECTION II – INTERVENTION RATIONALE

1. METHODOLOGY AND APPROACH

The UNDP team utilized several tools to conduct both quantitative and qualitative methodologies of data collection. Quantitative data was collected through existing documents of the Ministries (MAEFP and MEF), National Institute of Statistics (INE), Decentralization Package, Government COVID-19 situation, the United Nations Development Assistance Framework (UNDAF), and Decentralization Working group. Qualitative data was generated through discussions and interviews with key informants/stakeholders in the key sectors, namely: MAEFP, MEF, EU delegation, Decentralized

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cooperation, Provinces and Municipalities of Mozambique, National Association of Municipalities of Mozambique (ANAMM).

The different phases of the methodological process are outlined below:

Phase 1*:* Desk review/ Documents review

A thorough and critical literature review of existing information have been conducted, based on national as well as UN documents (Decentralization Package, EU strategy, UNDAF, SDGs reports, statistics from INE, etc.).

Phase 2: Compilation of data / institutional data collection

Data has been collected during a period of 6 weeks via:

Online Working sessions with UN partners, Ministry of State Administration and Civil Service, Ministry of Economy and Finance, ANAMM, EU delegation, civil society organizations, private sector, bilateral cooperation, and Team Leaders at the Mozambique UNDP Office.

Phase 3: Data analysis and prioritization

Once the assessment was completed, the UNDP team worked with the main partners of the project, namely the Ministry of State Administration and Civil Service and the Ministry of Economy and Finance to organize internal discussions, analyze existing data and define the following:

i. The scenarios that Government of Mozambique might face in the next 6 up to 24 months to start implementing the decentralization package.
ii. The Decentralized Governance Promotion Programme response strategy and priority actions (tailor made by Government's request for supporting decentralization process)
iii. Strategies and timeframes.
iv. Key/priority affected groups and areas by sector and estimated target institutions and population;

Phase 4: Sharing with partners

i. Organization of partners meeting (national, subnational, and international) to present the first draft of project document for feedback, comments and recommendations

The UNDP team has conducted field missions at the subnational level to see first-hand the prevalence of the problems related to the implementation of the decentralization package. In order to deepen its understanding of the overall context and impacts on the targeted institutions and groups, secondary information was also collected and analyzed based on various reports and bulletins prepared by Government and non-government organizations.

1.1. UNDP's Territorial Approach

The decentralization process can provide an opportunity to stimulate national and subnational development policies and dynamics and find innovative solutions for building resilience at institutional level to cope with challenges of public state administration reforms. Short term project interventions

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will support concrete actions aimed at assisting the sub national government in better understanding the decentralization process and its repercussion on the daily work of the subnational administration. Technical and financial resources will be provided to the subnational administration to improve their own capacities to adapt subnational local governance system to the current context. Such interventions are based on the framework of existing programs and mechanisms, and are in synergy with all other partners and sectors of the Government.

UNDP in Mozambique aims to develop an innovative approach by working in parallel at both national and subnational level for an effective implementation of the decentralization at subnational level and for the achievement of the Sustainable Development Goals. This will be done by adding innovative approaches to the two specific territorial levels during project implementation.

The project also proposes to break the silos and work in a coordinated way. Therefore, the work of the project's partners evolves in each project phase to provide comprehensive responses to complex problems and not just sectoral or institutional responses. Therefore, the project also becomes a means to bring about changes in the way development partners work together.

1.2 Using a Mixed Approaches to Decentralization, Local Development, and Local Governance: Territorial approach, Area Based Approach, People Centered Approach

In order to support the different components, the project will use an approach at three levels that is aligned with the DGPP strategic pillars:

- National level (Inclusion and citizen participation).
- Territorial Level (inclusion and Citizen Participation, "Response.Ability" and Democratizing Economic Opportunities).
- International level (inclusion and citizen participation).
- Human Rights based approach (guarantee equity, active participation of vulnerable groups and reinforcement of the need for accountability and transparency from the Government).
- Gender based approach (Gender aspects will be mainstreamed throughout planning, implementation and reporting, and special focus will be given to gender empowerment and inclusiveness).
- Putting policies into practice.
- Coaching subnational governments to implement the decentralization package measures.
- Using the Linkinmodex (Linking Mozambique Development Experts), which will be oriented towards a demand-offer response.
- E-Government to improve Citizen participation and public services delivery.
- Inclusive participatory strategic planning process linked to the SDGs (CSO, Private sector, deconcentrated services) using the harmonized templates.
- Capacity building cycle trough the Development Observatories (DOs): Strategic planning, M&E, SDGs, Peace Culture, etc.
- Subnational impact projects to test decentralization reforms responding to subnational priorities (with linking to the SDGs).

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1.3 Activity Implementation at Subnational Level

- ***UNDP presence at the subnational level.***

For the implementation of this strategy at the territorial level, it is key to have UNDP staff at the subnational level. In this sense, the project foresees the hiring of Project area managers for the monitoring and coordination of the project actions at that level.

- ***Harmonizing Strategic Planning Tools (Gender Pillar and SDGs)***

It is critical to differentiate between territorial strategic planning and planning for budgeting mechanisms. Strategic plans have a duration of ten years while the plans and budgets of public administrations are made annually according to the allocations received from the central government and the taxes collected, as well as the support from international cooperation. There is no articulated system of territorial planning (at province-, district-, and municipal-level) and of national sectoral programs. This is a space for UNDP to position itself to support this **territorial articulation**.

The project will seek to harmonize the territorial strategic planning instruments used by the districts and provinces to have a single template. This template will be designed to link up with the sectoral plans in terms of budget and indicators, aligning with the SDGs and in particular the gender pillar. There is an ongoing reflection from Government side in this regard and UNDP will be aligned with the Government proposal for annual planning. However, for provincial level (strategic plans for 10 years), the project will work through the DOs, the Provincial Coordination Council, and the Local Consultative Council to ensure the mainstreaming of the gender approach in the elaboration of the Strategic Plan. This process will contribute to the Localization of the SDG 5 on Gender Equality. This has potential to be a unique experience in Mozambique. Accountability and capacity building of the subnational mechanisms (such as the DOs) will be secured by training the DO key members in all areas of sustainable human development: planning, participation, gender approach, human rights approach, migration, harnessing demographic dividend.

2. SUSTAINABILITY

Despite the necessity of acting quickly to implement the decentralization reforms, UNDP always integrates elements of sustainability into decentralization processes in order to scale up the results of the project by having an impact on national policy decision-makers.

In this case, a rapid action phase is foreseen for the revision of the relevant laws and decrees, for the selection of TA experts and the identification of subnational institutions' needs related to the implementation of the Decentralization Package. This initial support will be accompanied by reinforcing existing mechanisms for an effective national/subnational coordination and governance process.

The second part of the project will focus on testing the capacity of the subnational institutions to put some aspects of the Decentralization Package into practice. To this end, e-Government solutions, Development Observatories, Strategic plans aligned with the SDGs and Local Impact projects will be implemented. The aim is therefore to guarantee the improvement of local administrations capacities in the long term.

This proposal therefore serves to bridge the gap between the necessity for a rapid understanding of the decentralization reforms and the adaptation of the subnational governance institution to the new context.

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At both national and subnational level, existing governance mechanisms will be used to avoid duplication and ensure ownership of the project.

Existing territorial strategic plans will be used and completed with SDG indicators in the framework of the national and subnational planning policy. Subnational budgeting and planning systems will be supported to ensure continuity of the system.

Impact projects will be implemented with subnational authorities at the provincial and municipal levels, where appropriate, ensuring the use of existing management mechanisms in the subnational administration. It will also complement actions that are underway in the territory and which are being supported by other international cooperation actors.

The international cooperation present in the territory will always be invited to participate in the strategic planning processes.

3. LIMITATIONS

The project document had a limitation in the access to local authorities and population due to the ongoing internal movement restrictions and the "social distance policy" in force in Mozambique. Nevertheless, meetings were successfully held with the provinces on the 23rd and 25th of August through the online platform of Zoom. The purpose of the meeting was to present the project to the provinces and to collect their comments and reflections on the project. Participating in the meetings were representatives from MEF, MAEFP; representatives from the Provincial Services of Finance and Economy and the Council for Services of the State Representation (Sofala, Manica, and Cabo Delgado); and representatives of UNDP.

Moreover, during the month of September and as a result of the reduction in social distancing measures imposed by the Government, it was possible to hold face-to-face meetings between UNDP and the institutional representatives of the provinces of Manica, Sofala and Cabo Delgado to prepare the launching of the project in each of the pilot provinces.

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SECCTION III – PROJECT DESCRIPTION

1. OBJECTIVES: OUTCOME

The overall objective includes the following outcome:

Strengthened democratic governance and peacebuilding in Mozambique through supporting the decentralization process, enhancing the ability of national Ministries (MAEFP and MEF), the decentralized governance bodies and the provincial bodies of State representation to provide quality public services to citizens, improve socio-economic conditions and reduce conflicts.

The specific objective includes the following outcomes:

- Strengthened technical capacity of MEF, MAEFP, the decentralized governance bodies and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).
- Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.

2. EXPECTED OUTPUTS

2.1 Specific Objective 1: **Strengthened technical capacity of MEF, MAEFP, the decentralized governance bodies and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).**

Output 1.1 Decentralized governance bodies and central government agencies' capacities are strengthened, and their impartiality improved with a special focus on promoting inclusive, equitable and sustainable social development and gender empowerment in subnational governance.

Output 1.2. Mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned are in place.

2.1.1 Activities

a) **Activities for Output 1.1:** Decentralized governance bodies, provincial bodies of State representation and central government agencies' capacities are strengthened, and their impartiality improved with a special focus on promoting inclusive, equitable and sustainable social development and gender empowerment in subnational governance.

Proposed Activity 1

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- Support MAEFP in the revision of official documents and legal tools related to decentralized governance bodies and the provincial bodies of State representation, and identify priority concerns and technical gaps impeding effective implementation of provincial governance legislation and institutions.

Rationale:

MAEFP is already working on the proposal of the law, "law on the division of competencies" based on sectoral matrix on which competencies have been decentralized to each provincial body (Law 31 May 2019, 4,5,6,7). Thus, the project will support MAEFP in order to clearly establish the obligations and responsibilities of the different decentralized governance bodies and provincial representatives of State.

This will be an ongoing activity throughout the implementation of the project. The revision of official documents and legal tools related to decentralization and public administration will be carried out by a consultant and supported on an annual basis. The activity will include producing the TORs to set up the technical revision working group, carrying out trainings, and updating the ministry webpage to improve the communication between the ministry and the provinces.

Indicative Activities:

- MAEFP will identify the official documents and legal tools at the national level that need to be clarified and make the technical proposal for changes to the relevant ministries. On the other hand, a situation analysis will be conducted at the level of each province to identify the bottlenecks for the implementation of the reforms.
- At national level, the evaluation of ongoing policies related to decentralization, public administration reforms will be carried out with support from the project.
- MAEFP officials will be provided with trainings in order to acquire the skills needed to support the implementation of decentralization at provincial level in an efficient manner.
- MAEFP will improve communication lines with civil society and with provinces through sharing bulletins and publications about the decentralization process and through updating the webpage in a manner that facilitates communication with provinces.

Responsible for Activity:

The activity will be carried out mainly by MAEFP and UNDP.

Proposed Activity 2

- Elaboration and dissemination of a Good Practice Handbook on Local Development and Local Governance (LD&LG) and of local public administration in order to share the knowledge gained from technical assistance activities and associated lessons learned for wider consultation and benefit. International benchmarking on decentralization issues. Exchange of good practice at the subnational and international level.

Rationale:

This activity will involve the identification of a system of good practices at all levels of the public administration, at province, district, and municipality level, which can then be shared with

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provinces with public administration gaps in order to benefit from this knowledge and apply it in practice.

MAEFP already organizes meetings with provinces and districts on an annual basis to identify good practices on local public administration, and it is therefore an opportunity to support the organization of these meetings within the scope of this activity. The results of the annual meetings can then be leveraged on to develop indicators for good practice guidelines or manuals that can feed into the Good Practice Handbook. The handbook will be a compilation of all the guidelines or manuals and will be printed in the last year of the project.

Indicative Activities:

- Travel and the annual meeting organized by MAEFP to identify good practice will be supported.
- The good practices will be compiled in a handbook and shared among the different provinces of the country. In line with this, TORs outlining good practice principles will be developed, covering issues such as sustainability and impacting citizen wellbeing. This process will be carried out through the Development Observatories at provincial level.
- The exchange of good practices at subnational level between the different provinces, but also at international level through participation in debates on territorial development, decentralization, and territorial governance issues, is also foreseen.
- International technical exchanges are subject to the evolution of the pandemic caused by COVID 19. Therefore, online meetings could be considered if necessary.

Responsible for Activity:

The activity will be carried out by UNDP and MAEFP.

Proposed Activity 3

- Carry out situation analyses at subnational level for the three pilot provinces in terms of the implementation of the decentralization reforms and identify technical assistance needs related to the new decentralization reform package. Carry out technical assistance responding to the needs that emerge related to the situation analysis, for instance on institutional, fiscal and developmental issues, to support provincial decentralized governance bodies and provincial bodies of State representation with sustainable economic development, governance and public management processes, social inclusion, and gender empowerment issues.

Rationale:

Both MEF and MAEFP will support workshops, seminars and technical assistance. The activity will include organizing thematic workshops to focus on priority issues of common interest among the local governments of the three pilot provinces, with the aim of preparing a capacity building plan for the implementation of technical assistance adapted to the needs of each territory (province). The activity will also include the organization of workshops and seminars with the participation of the different institutions of the province to allow the identification of

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the degree of coordination between them. Through these workshops, it will be possible to find local solutions for a better provision of services to the citizens.

Officials from MEF and MAEFP will provide technical assistance to the three provinces, focusing on supporting decentralization through issues related to e-SISTAFE, planning, and the use of the new tools that both the Ministries are developing, for instance related to the new indicators to be added to the existing planning and monitoring system.

Indicative Activities:

- Technical assistance will be ensured by official servants from MEF and MAEFP to the provinces in the pilot areas, supporting decentralization by focusing on issues related to e-SISTAFE and territorial strategic planning instruments used by the districts and provinces, which will require designing a template that links up with the sectoral plans in terms of budget and indicators, aligning with the SDGs and in particular the gender pillar.
- Workshops will be held at provincial level to identify the needs for technical assistance in each province and the elaboration of a provincial action plan.
- Using the TA network created, tailor made technical assistance will be carried out for provinces and municipalities that require support to better understand the mechanisms and functions of the new mandates of the Decentralization Package.
- In fact, we propose a new type of modality of technical assistance and training at the same time through coaching, which in turn can leverage support to the territorial public administration in the medium and long term.
- Some training activities in the pilot areas will be carried out to improve management capacities, territorial administrations in territorial management, public procurement, gender approach, leadership, and localization of SDGs.
- The provincial capacity building plan will contain the name of the province, the type of technical assistance and the time required for carrying out the assistance.

Responsible for Activity:

This activity will be carried out by UNDP, MEF, MAEFP, and Subnational Governments (Provinces).

Proposed Activity 4

➢ Establish a knowledge-sharing and technical assistance (TA) network database platform for the national institutions responsible for the implementation of decentralization reforms and for the subnational governance bodies and institutions (Provinces).

Rationale:

The network will be based on a sex-disaggregated roster of eligible Mozambique-based experts at different administrative levels (Ministries, Provinces, Districts and Municipalities) across the various relevant specializations qualified and available to provide short term technical assistance related to decentralization, governance and developmental issues. As already mentioned, the Ministry counterparts have indicated a high interest for making available public officials for short term TA missions. There will also be a possibility for drawing on national and international consultants as TAs.

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To ensure the sustainability of the database, it will be hosted by MAEFP or MEF, and will be accessible to officials of the national and subnational governments and institutions. It will be designed in a secure and user-friendly manner and users will be trained in how to use database, such that the database can be applied widely.

Indicative Activities:

- Recruitment of an Information and Communications Technology (ICT) company specialized in databases if needed to work together with the University. TORs will be drafted.
- A university institution or specialized NGO will be sought out to support the development of the database and relevant software, as well as to facilitate the training of users of the database. The project will count on the support of Eduardo Mondlane University for implementing this activity.
- The database will be made available to the government, ministries, and the provinces. The database will be hosted in the most efficient existing communication mechanisms of the government.
- A search will be carried out for specialists, by subject area, who will populate the database.
- The selected specialists will be integrated in the database (catalogued) on the basis of their experience and expertise.
- UNDP aims to ensure the quality of the TAs, including through south-south cooperation and triangular cooperation and in coordination with other UNDP initiatives.

Responsible for Activity:

The Activity will be carried out by UNDP, MEF, MAEFP, a university institution/specialized NGO/the selected ICT company.

Proposed Activity 5

- Improve subnational communication system to have access to the technical assistance (TA) database.

Rationale:

Provinces should elaborate the list of communications needs at the subnational level: internet access, mobile applications, subnational radios, etc. An ICT company will be involved in the improvement of the communication system at the provincial level in the three pilot provinces. This will include supporting a provincial webpage portal, which will outline different services that the province offers its citizens, and which can be accessed in an interactive manner. This will reduce the distance between citizens and subnational governments.

A specialized NGO will be involved in this activity, supporting the assessment of the quality of some of the services delivered by the local institutions. This will then be used to create an application to facilitate dialogue between citizens and the local administration of the subnational level in Mozambique. The application will then be implemented by the selected NGOs in the respective territories.

Indicative Activities:

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- Government and subnational governments will use the communication companies available in the country and request the implementation of the necessary communication services in the provinces, districts and municipalities that are requested.
- UNDP will assure the purchase of the ICT and communications equipment in close collaboration with the Government.
- UNDP will provide capacity building to the existing human resources.
- Recruitment of an ICT company specialized in human centered design will ensure the support and development of the provincial webpage portal which provides services to the citizens in a way that matches the needs of citizens and which is easily accessible by citizens.
- The experience of past UNDP-UP projects will be built on to develop digital solutions for facilitating interaction between citizens and local administrations.

Responsible for Activity:

The activity will be carried out by UNDP, Provinces, selected ICT Company, Specialized NGO, and the selected NGOs in the respective territories for implementation.

b) **Activities for Output 1.2:** Mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned are in place.

Proposed Activity 1

- Establish an internet-based network among interested stakeholders – State Officials, representatives of the decentralized governance bodies, the provincial representatives of State, experts and academics – "Linkinmodex" (Linking Mozambique Development Experts).

Rationale:

On the basis of the roster of local development experts in the network database (described in Activity 4 of Output 1.1), a knowledge management mechanism will be developed to link the demand coming from public administrations with the existing knowledge supplied in the roster. In addition, this knowledge mechanism could also serve for the exchange of best practices between subnational governments in the management and administration of new competences.

Indeed, being closely linked to Activity 4 of Output 1.1, these two activities can involve the same contributing and responsible actors, which will in turn help to streamline the activities and build a strong framework around them.

Indicative Activities:

- To carry out this activity, UNDP will, along with the government, work in collaboration with academia and specialized NGOs to identify a technological ICT company capable of developing this application which will follow the principle of connecting supply and demand of knowledge and knowledge exchange.
- A TOR to define the scope of this activity will be elaborated by the technical team.

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- There will be training of the staff and beneficiaries to use the network database application.
- A university institution and a specialized NGO will be involved in the network development in order to identify or develop digital tools adapted to the Mozambican context.

Responsible for Activity:

This activity will be carried out by UNDP, MEF, MAEFP, a university institution, UEM, a specialized NGO and a selected ICT Company.

Proposed Activity 2:

- Support the National Association of Municipalities of Mozambique (ANAMM) in the SDG localization process at municipal level and in the implementation of the use of innovative tools for improving the local service delivery of municipalities, while also raising awareness about the SDGs at community level through community radio systems in the three pilot provinces.

Rationale:

ANAMM will be supported within the pilot provinces in order to streamline the SDG localization process within these provinces. Additionally, a university institution will be hired in order to assist ANAMM with the activity. The SDG localization will focus on supporting some municipalities in the three pilot provinces to organize trainings and workshops that set out to localize the SDGs in an innovative and participatory process. The aim will be to link the municipality priorities and program with the SDGs, and will include the involvement of key actors at municipality level. This activity will be organized in close coordination with GIZ, since GIZ is working with ANAMM on localizing the SDGS at Municipality level.

An additional component of this activity will be anchored in the sensitization of the population in rural areas of the pilot provinces to the importance of the SDGs. This sensitization will be carried out using community radios through a partnership between the Eduardo Mondlane University (UEM), UNDP and the three provinces participating in this project. UNDP and UEM will ensure that awareness is raised in regard to the SDGS in a way that adapts the SDG language to the local context and to local communities.

Indicative Activities:

- Conduct joint workshops with ANAMM at the municipal level to support the localization process of the SDGs in some municipalities in the pilot provinces of the program.
- Together with UEM, capacity building of local community radio stations will be carried out. There will be awareness raising activities for decentralized governance bodies and provincial bodies of State representation on the SDGs; production of SDG dissemination materials translated into local languages; and production of radio programs adapted to local cultures.

Responsible for Activity:

The activity will be carried out by UNDP, ANAMM, and UEM.

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Specific Objective 2: Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.

Output 2.1. Enabled National Environment for responsive, agile subnational governments
Output 2.2 Decentralized Governance improved by testing decentralization reforms and putting socio economic projects into practice by improving the living conditions of the population at subnational level.
Output 2.3. Project's implementation, tracking and evaluation, and reporting are performed efficiently and effectively

2.2.1 Activities

a) **Activities for Output 2.1:** Enabled National Environment for responsive, agile subnational governments.

Proposed Activity 1

- Provide technical and logistical support to conduct sessions of the National Coordination Council (with participation of Secretaries of State in the province, Governors, Presidents of the Municipal Councils of the provincial capitals and other key actors) to discuss the level of implementation of the decentralization package and of the inter-ministerial bodies.

Rationale:

MAEFP will support the organization of annual meetings with the National Coordination Council. The National Coordination Council entails the national/subnational coordination body which meets once a year. The meeting is held between the different ministries at the national level and subnational government representatives - in this case, from provinces and municipalities. This meeting is used to discuss the articulation of public policies and the responsibility of local administrations and the state in the provision of public services. The scope of the work will include looking at: Development of Decentralized Governance Bodies; Municipality development; outline of current functions and competences at the administrative level of decentralization work; fiscal decentralization and evaluation of the legal framework of the decentralization.

At technical level, UNDP will organize annual meetings between provincial representatives for the three pilot provinces and the national institution, which will include the reference group that will be trained at provincial level. The annual meetings will be used to discuss decentralization issues that need to be addressed as well as lessons learned from activities, which can then be used as a platform for planning for the following years.

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Similarly, three meetings will be organized annually with the aim of improving coordination of the provinces' international cooperation, which reflects a request made specifically by the provinces. The meetings will be led by Financial Services of the Executive Secretary of State.

Indicative Activities:

- Support to the organization of the annual meetings of the existing mechanisms such as the National Coordination Council.
- Support to organization of coordination meetings to improve the provinces' international cooperation coordination.
- Organize national meetings with the reference group in the three pilot provinces. This reference group will be the target group that will be strengthened during the years of program implementation.

Responsible for Activity:

The activity will be carried out by UNDP, MEF, MAEFP, and other national Ministries.

Proposed Activity 2

- Support the Government of Mozambique, through the Ministry of Economy and Finance (MEF), in the implementation of the ongoing Public Finance Management reforms with focus on the subnational government.

Rationale:

The support to this activity will be provided in order to design intergovernmental fiscal transfer, including an explicit study on tax capacity at the provincial level in order to ensure that the functions assigned to subnational governments are funded. The activity will also involve improving and updating the communication system at MEF and MAEFP, which will count on the support from two university students specialized in Communications and/or Graphic Design.

The students will be carefully selected from a university institution and will support the Ministries as volunteers, using the position as an opportunity to apply their knowledge gained from their studies and to develop their work networks. The volunteer work will play a critical role in empowering promising youth, providing them with a platform for actively contributing to development agendas in their countries. The tasks of the volunteers will include supporting activities that promote budget transparency and engagement with citizens on the government and provincial webpages, in addition to the design and production of: informative bulletins and flash news about the Ministries' work on communication with provinces; and updates of the Ministry webpage by sharing provincial budget documents.

The volunteers will support the Ministries over a period of one year, and the activity will build on the experiences from an existing volunteers initiative led by UNDP, in partnership with the University Eduardo Mondlane. In order to recognize the valuable work of the volunteers, each volunteer will be renumerated with at total of 200 USD per month for the one-year period of work. This amount is part of Eduardo Mondlane University's educational agreement with students. The work schedule of the volunteers and the specific days they are expected to work from the Ministries will be agreed upon by the University and the Ministries MEF and MAEFP,

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not exceeding two times per week and with flexibility in terms of the agreement in order to allow the students to devote time for their studies. Similarly, the tasks assigned to the students must be agreed upon by the University and the Ministries in order to ensure that the tasks align with their studies, either by applying knowledge already learned or by gaining new knowledge relevant to their studies.

Additionally, the activity will include harmonizing the territorial strategic planning instruments used by the districts and provinces to have a single template that links up with the sectoral plans in terms of budget and indicators, while aligning with the Sustainable Development Goals. This is an activity that is under the responsibility of MEF, aiming at supporting the provincial planning cycle by preparing clear guidelines for the preparation of the strategic plans.

Indicative Activities

- Support budgetary key reforms through the provision of assistance to improve the Medium-Term fiscal framework guidelines to provinces and building capacity at subnational level to produce the 2022 integrated Plan and Budget sensitive to gender.
- Provide TA to members of the budget and finance committee of the Provincial Assembly to develop their capacity for budgetary oversight.
- Support the subnational government in providing fully transparent and comprehensive information to the public regarding both budgeted and actual revenues and expenditures, throughout all four stages of the budget process (formulation, approval, implementation, and evaluation).
- Recruitment of volunteers to support the improvement of communication systems at central and provincial level through MAEFP and MEF. TORs will be produced for the volunteers in coordination with MAEFP and MEF.

Responsible for Activity:

The activity will be carried out by UNDP, MEF, MAEFP, and Subnational Governments (Provinces, Districts, and Municipalities).

b) Activities for Output 2.2: Decentralized Governance improved by testing decentralization reforms and putting socio-economic projects into practice with the aim to improve the living conditions of the population at subnational level.

Proposed Activity 1

- Support an Inter-Institutional Dialogue Mechanism for the consolidation of subnational governance. This will include supporting the Development Observatories (DOs) and Provincial Coordination Council (Conselho de Coordenação Provincial).

Rationale:

The Provinces serve as the laboratories where the instruments of decentralization and territorial articulation and management are tested through the identification and implementation of inclusive and sustainable development programmes and projects. This is why the project aims to support, in a coordinated manner, the two main governance

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mechanisms existing at territorial level, namely: the Provincial Coordination Council and Development Observatories.

The selected NGOs in the respective territories will facilitate workshops, conferences, trainings, and coordination sessions at various territorial levels, which will serve to support the existing government dialogue mechanisms. Furthermore, the Central Government will provide guidelines for the realization of DOs at provincial level.

Indicative Activities:

- Set up the Provincial working group/reference group (TORs attached) in order to facilitate project implementation and institutional coordination.
- Support the Development Observatories to involve local stakeholders in the decision-making process.
- Mutual accountability: a territorial webpage to monitor territorial agreements within the framework of the Provincial Strategic Development Plans and to ensure the monitoring of services and projects.
- Training and capacity building for elected representatives and subnational government staff;
- Strengthening local governance: Establishing forums of locally elected representatives, members of civil society and the private sector.
- Coordination between the different administrative layers - provincial, district and municipal and inter-municipal technical offices.
- Creating an antenna for economic development at subnational level and the installation of a Local Economic Development (LED) group for discussing issues such as Social and Solidarity Economy (SSE).

Responsible for Activity:

The activity will be carried out by the selected NGOs and the Provinces.

Proposed Activity 2

- Support for the revision and elaboration of the Provincial Strategic Planning and the localization of the SDGs, with a focus on Gender.

Rationale:

This activity will include leveraging on and supporting the reference group/provincial working group and its members (including decentralized governance bodies and the representatives of State, Civil Society Organizations and Private Sector Representatives) in carrying out a participatory, inclusive and comprehensive strategic planning process, which will be articulated with national and provincial development strategies and programmes. Finally, the strategic plans should be discussed in the framework of the provincial councils and approved by the provincial assemblies.

It is intended to use the localization of SDGs at provincial level as the framework that guides the analysis of the barriers and challenges to sustainable development; the selection of programmes and objectives; and the identification of projects that respond to local priorities and that will be able to positively impact sustainable and inclusive development.

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The three selected NGOs in the respective territories will accompany some of the activities to be carried out at provincial level, supported by UNDP's technical supervision. Their responsibilities will include facilitating the following: the annual Reference Group/working Group meeting; trainings with the Provincial Assembly; the process of SDG localization at local level through trainings and workshops; the elaboration of the Gender Agenda; local level training in leadership; supporting exercises in the Rapid Integrated Assessment (RIA); and the national/local coordination. Academia, consultant services and an additional specialized NGO may be required for support to the NGOs in implementing the outlined activities.

The entry point at provincial level will be the Economic and Finance Directory within the Secretary of State Office, which, in coordination with the Directorate of Economy and Planning under the Governor will be responsible for the implementation of the activities.

The first implementation year will include finalizing the provincial strategic plan's revision and alignment with the SDGs. This will be followed by a participatory selection process in the next implementation year, where some institutions – including the Executive Governor and the Secretary of State - will have the task of prioritizing one project based on the revised strategic plan. The selected project will be financed by the EU-UNDP action, and, depending on the type of project, funds transferred to the institution that will be selected to be responsible for the project implementation. The selected responsible institution will go through a HACT assessment (see page 21 for more details) in order to ensure they have the required capacities to carry out an EU-UNDP funded project. The recruited Area Managers within the pilot provinces will be supporting the implementation of the project.

An existing coordination mechanism will be used to monitor the progress of the project activities at provincial level, where all institutions involved in the project at provincial level will meet once a year as a follow-up and monitoring committee, examining the work of the selected NGOs and identifying what further needs to be done to ensure implementation of the activities.

The participants of the reference group/working group are responsible for:

- Collecting existing local planning documents (municipal land use plans, provincial plans, ministries strategies etc.), updating them, and introducing a strategic and territorial component, based on locally identified needs and priorities and in collaboration with municipal authorities, decentralised services, and others.
- Localization of the SDGs at territorial level.
- Identifying priority programmes in the national policies that will have a direct impact in the territory.
- Articulating subnational priority projects with the national policies, the SDGs and with sector projects and the private sector and civil society.
- In the provinces where there are existing plans, these plans will be revised in accordance with the SDGs.
- Supporting a study on vulnerable groups within the province in order to better understand how to Leave No One Behind, central to the SDG agenda.

The format for the Strategic Plan will be provided by the Ministry of Economy and Finance. The reference group/working group will be supported and mentored by UNDP Programme staff and central Government staff regarding the collection and analysis of data and statistics to ensure that clear and concise language is used to facilitate stakeholders understanding.

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Indicative Activities:

- Some capacity building activities for the reference group/working group members are foreseen, which will include:
    - The National Directorate for Planning and Finance (DNPF) secretariat along with the Provincial Executive to prepare the sessions (TA, material, ensuring the realization of the sessions mainly in a Covid-19 context)
    - CSOs and the private sector representatives to strengthen their capacity to achieve meaningful participation in the sessions (TA, trainings, Data Analysis, Data Collection, Access to Information, Production of opinions)
- Thematic groups will be created at provincial level to analyse the definition of strategic axes as the basis for provincial priorities and to identify areas of common interest where synergetic interventions can be promoted.
- It is expected that the Strategic Plan will adopt territorial analysis of the provinces, districts and municipalities by sector, taking into account indices of human development, development opportunities and challenges, strategic development axes, and the presence of international cooperation partners.
- The Strategic Plan is intended to be approved at provincial level (normally the Provincial Assembly). Final endorsement of the plan will be achieved through a series of seminars in which the expected results will be presented to the subnational, national and international institutions that have participated in the elaboration of the projects.
- In the new context of decentralization, it is necessary to understand the articulation between Ministries/sectors and decentralized governments. Normally, the strategic plans are not costed and, even if that happens, there is always a financing gap. The Strategic Plan should be used to inform the annual planning and resources should be mobilized.
- The strategic plan will be explicitly aligned with the priorities and programmes of the national policies and the principles and targets of the SDGs. This will be done with the help of a rapid integrated assessment (RIA) exercise, which seeks to map out SDG alignment with national and subnational indicators. Similarly, to ensure that the provincial strategic plans are inclusive and sensitive to vulnerable communities within the provinces, a study on Leaving No One Behind will be made.
- To support provinces with their 2030 horizon plans and alignment with the SDGs, the Project plans to contribute to the formulation of more realistic plans which also integrate the investments that the central government wants to make in the territories, as well as the annual resources of each province. The Strategic Plan must to be a holistic vision of the territory with a clear articulation among administrative layers.
- Once the Plan is approved it is sent by the local authorities to all subnational, national, and international partners who are, or have indicated an interest in, working in the territory (at provincial, districts or municipal level).
- Through the local institution and local authorities, projects are implemented within the context of their strategic axes by local staff of the relevant subnational institutions.
- In order to ensure that the reference group is able to revise the strategic plan so that it is aligned with the SDGs, a cycle of trainings will be carried out, including trainings on planning, monitoring, local leadership; and the use of the rapid integrated assessment (RIA).

Responsible for Activity:

The activity will be carried out by UNDP, MEF, MAEFP and Provinces, consultancy services,

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academia, a specialized NGO, and the selected NGOs in the respective territories.

Proposed Activity 3

- Subnational impact projects for testing decentralization reforms.

Rationale:

Subnational Impact Projects: During the local programming phase of the strategic planning process, impact projects to be implemented will be identified by the reference group. Impact projects must necessarily be SDG oriented, and an integral part of the provincial strategic plan. As the purpose of the impact projects is to **test** decentralization reforms responding to local priorities, the projects will be small-scale yet catalytic in nature. The projects are expected to mobilize additional resources and to be the result of a technical and financial partnership between the provincial institutions (Directorates and state representation agencies) and NGOs, private sector, and agencies at local, national or international level.

Indicative Activities:

Subnational impact projects to test decentralization reforms responding to local priorities (SDGs)

- 10% of the budget to be used on supporting local administrations mechanism to deal with the new competences.
- 80% for impact activities on improving the quality of life of the local population.
- It is mandatory to partner with CSO and private sector.
- It is mandatory to be SDG oriented.
- Gender sensitive approach: women empowerment, women equality.
- Environmentally friendly
- Job creation
- Partnerships mobilization and co-financing.
- Local Economic development initiatives
- Social and Solidarity Economy

Responsible for Activity:

The activity will be carried out by UNDP, MEF, MAEFP, and the Provinces.

c) **Activities for Output 2.3:** Project's implementation, tracking and evaluation, and reporting are performed efficiently and effectively.

Proposed Activity 1: Set up the steering committee of the project.

This activity will include workshops and conferences.

Proposed Activity 2: Recruitment of the Project Management Unit and Operations Cost.

This activity will include project office costs related to office expenses, office set up and maintenance of the Country Office headquarters and in the sub-office in Cabo Delgado, including rental services of premises, office cars to allow for travel and maintenance of the office cars and equipment. Similarly, there will costs related to the UNDP Country Office core staff support. The UNDP sub-office will play a critical role in creating institutional links at subnational level in Cabo Delgado as well providing security services.

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Proposed Activity 3: Preparation of both technical and financial reports, annual working plans.

This activity will include workshops and conferences.

Proposed Activity 4: Preparation of Communication products launched along project's implementation.

This activity will include communication, visibility and audio-visual printing production costs.

Proposed activity 5: Evaluation/HACT Assessment.

This activity will include consultancy services.

Proposed activity 6: Follow-up and monitoring.

This activity will include travel costs for monitoring purposes.

3. MAPPING BENEFICIARIES TO ACTIVITIES

Beneficiary	Output/Activity
Officials of MEF	Output 1.1, Activity 4: Establish a knowledge-sharing and technical assistance (TA) network database platform for the national institutions responsible for the implementation of decentralization reforms and for the subnational governance bodies and institutions (Provinces). (e.g. the specialists populating the database will be made available to the government, ministries, and the provinces)
Officials of MAEFP	Output 1.1., Activity 4: Establish a knowledge-sharing and technical assistance (TA) network database platform for the national institutions responsible for the implementation of decentralization reforms and for the subnational governance bodies and institutions (Provinces). (e.g. the specialists populating the database will be made available to the government, ministries, and the provinces)
Officials at ANAMM	Output 1.2., Activity 2: Support the National Association of Municipalities of Mozambique (ANAMM) in the SDG localization process at municipal level and in the implementation of the use of innovative tools for improving the local service delivery of municipalities, while also raising awareness about the SDGs at community level through community radio systems in the three pilot provinces. (e.g. participating in trainings to localize SDGs and being given innovative tools for improved local service delivery)
Representatives of Civil Society Organizations	Output 2.2., Activity 2: Support for the revision and elaboration of the Provincial Strategic Planning and the localization of the SDGs (e.g. CSOs

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	representatives to strengthen their capacity to achieve meaningful participation in the reference group sessions).
Representatives of Private Sector	Output 2.2., Activity 2: Support for the revision and elaboration of the Provincial Strategic Planning and the localization of the SDGs, with a focus on Gender (e.g. private sector representatives to strengthen their capacity to achieve meaningful participation in the reference group sessions).
Representatives of Academia	Output 1.2., Activity 1: Establish an internet-based network among interested stakeholders – State Officials, representatives of the decentralized governance bodies, the provincial representatives of State, experts and academics – "Linkinmodex" (Linking Mozambique Development Experts). (e.g. possibility to participate in the network and contribute with their expertise)
Local communities	Output 2.2., Activity 3: Subnational impact projects for testing decentralization reforms (e.g. through activities that focus on job creation and improving the quality of life of the local population). Output 1.2., Activity 2: Support the National Association of Municipalities of Mozambique (ANAMM) in the SDG localization process at municipal level and in the implementation of the use of innovative tools for improving the local service delivery of municipalities, while also raising awareness about the SDGs at community level through community radio systems in the three pilot provinces (e.g. learning about importance of SDGs through community radios).
Provincial Assembly Members	Output 2.1., Activity 2: Support the Government of Mozambique, through the Ministry of Economy and Finance (MEF), in the implementation of the ongoing Public Finance Management reforms with focus subnational government (e.g. Provide TA to members of the budget and finance committee of the Provincial Assembly to develop their capacity for budgetary oversight). Output 2.2., Activity 2: Support for the revision and elaboration of the Provincial Strategic Planning and the localization of the SDGs (e.g. training of provincial assembly members).
Subnational governments	Output 1.1., Activity 3: Carry out situation analyses at subnational level for the three pilot provinces in terms of the implementation of the decentralization reforms and identify technical assistance needs related to the new decentralization reform package. Carry out technical assistance responding to the needs that emerge related to the situation analysis, for instance on institutional, fiscal and developmental issues, to support provincial decentralized governance bodies and provincial bodies of State representation with sustainable economic development, governance and public management processes, social inclusion, and gender empowerment issues. (e.g. mechanism to support the subnational government needs).

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	Output 2.1., Activity 2: Support the Government of Mozambique, through the Ministry of Economy and Finance, in the implementation of the ongoing Public Finance Management reforms with focus on subnational government (e.g. support subnational government to provide fully transparent and comprehensive information to the public regarding both budgeted and actual revenues and expenditures, through all four stages of the budget process). Output 2.2, Activity 1 Support an Inter-Institutional Dialogue Mechanism for the consolidation of subnational governance. This will include supporting the Development Observatories (DOs) and Provincial Coordination Council (Conselho de Coordenação Provincial) - (e.g. Training and capacity building for elected representatives and subnational government staff; as well as strengthening local governance by establishing forums of locally elected representatives, members of civil society and the private sector).

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4. PROPOSED SCHEDULE OF ACTIVITIES

INDICATIVE ACTIVITIES	YEAR 1				YEAR 2				YEAR 3				YEAR 4			
Overall Objective: Strengthened democratic governance and peacebuilding in Mozambique through supporting the decentralization process, enhancing the ability of national Ministries (MAEFP and MEF), the decentralized governance bodies and the provincial bodies of State representation to provide quality public services to citizens, improve socio-economic conditions and reduce conflicts.																
Specific Objective 1: Strengthened technical capacity of MEF, MAEFP, the decentralized governance bodies and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).																
OUTPUT 1.1 Decentralized governance bodies, provincial bodies of State representation and central government agencies' capacities are strengthened, and their impartiality improved with a special focus on promoting inclusive, equitable and sustainable social development and gender empowerment in subnational governance.	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A1: Support MAEFP in the revision of official documents and legal tools related to decentralized governance bodies and the provincial bodies of State representation, and identify priority concerns and technical gaps impeding effective implementation of provincial governance legislation and institutions.																
A2. Elaboration and dissemination of a Good Practice Handbook on Local Development and Local Governance (LD&LG) and of local public administration																

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good practices. in order to share the knowledge gained from technical assistance activities and associated lessons learned for wider consultation and benefit. International benchmarking on decentralization issues. Exchange of good practice at the subnational and international level.															
A3: Carry out situation analyses at subnational level for the three pilot provinces in terms of the implementation of the decentralization reforms and identify technical assistance needs related to the new decentralization reform package. Carry out technical assistance responding to the needs that emerge related to the situation analysis, for instance on institutional, fiscal and developmental issues, to support provincial decentralized governance bodies and provincial bodies of State representation with sustainable economic development, governance and public management processes, social inclusion, and gender empowerment issues.															
A4: Establish a knowledge-sharing and technical assistance (TA) network database platform for the national institutions															

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responsible for the implementation of decentralization reforms and for the subnational governance bodies and institutions (Provinces).																
A5: Improve subnational communication system to have access to the technical assistance database.																
OUTPUT 1.2. Mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned are in place.	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A1. Establish an internet-based network among interested stakeholders – State Officials, representatives of the decentralized governance bodies, the provincial representatives of State, experts and academics – "Linkinmodex" (Linking Mozambique Development Experts).																
A2. Support the National Association of Municipalities of Mozambique (ANAMM) in the SDG localization process at municipal level and in the implementation of the use of innovative tools for improving the local service delivery of municipalities, while also																

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raising awareness about the SDGs at community level through community radio systems in the three pilot provinces.																
Specific Objective 2: Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.																
OUTPUT 2.1: Enabled Environment for responsive, agile subnational governments	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A1: Provide technical and logistical support to conduct sessions of the National Coordination Council (with participation of Secretaries of State in the province, Governors, Presidents of the Municipal Councils of the provincial capitals and other key actors) to discuss the level of implementation of the decentralization package and of the inter-ministerial bodies.																
A2: Support the Government of Mozambique, through the Ministry of Economy and Finance, in the implementation of the ongoing Public Finance Management reforms with focus on subnational government.																
OUTPUT 2.2: Decentralized Governance improved by testing decentralization reforms and putting socio-economic projects into practice with the aim to improve the living conditions of the population at subnational level.	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A1: Support an Inter-Institutional Dialogue Mechanism for the consolidation of subnational governance. This will include																

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supporting the Development Observatories (DOs) and Provincial Coordination Council (Conselho de Coordenação Provincial).																
A2: Support for the revision and elaboration of the Provincial Strategic Planning and the localization of the SDGs, with a focus on Gender.																
A3: Subnational impact projects for testing decentralization reforms.																
OUTPUT 2.3: Project's implementation, tracking and evaluation, and reporting are performed efficiently and effectively.	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A1: Set up the steering committee of the project																
A2: Recruitment of the Project Management Unit and Operations Cost																
A3: Preparation of both technical and financial reports, annual working plans.																
A4: Preparation of Communication products launched along project's implementation																
A5: Evaluation/HACT Assessment																
A6: Follow-up and monitoring																

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SECTION IV – IMPLEMENTATION ARRANGEMENTS

1. PROSPECTIVE PARTNERSHIPS

UNDP is a member of the Decentralization Working Group, along with USAID, Germany, Switzerland, Sweden, Ireland, Italy, Spain, France, Belgium, Flanders, Canada, the Department for International Development (DFID), EU, World Bank, UNDP, UNHABITAT, UNCDF, UNICEF and IMF (passive member). Thus, pursuing partnerships with one of the working group members would be highly opportune.

UNDP proposes the following types of partnerships:

- **Internal:**

UNDP's Governance and Social Cohesion Unit is currently exploring internal partnerships within the Country Office (CO) such as with the SDG Localization project, which has many synergies with the decentralization programme as it seeks to localize SDGs sub nationally through SDG-related advocacy, policy analysis, and advisory activities involving provincial, district and municipal authorities, as well as other local development actors in the province.

UNDP will seek to leverage on the new Accelerator Lab initiative in Mozambique, which can provide a platform for innovative decentralization approaches. The Accelerator Lab provides country-based implementation and support platforms that incentivize the shift to open-source development, bringing diverse knowledge, skill, perspectives, and capital around the table to co-create bigger and better integrated results.

The Unit will also explore the internal partnership with the Project for Strengthening technical and functional skills of Supreme Audit Institutions in Portuguese Speaking Countries of Africa and Timor Leste (Pro PALOP TL SAI) and the Sustainable Management of Natural Resources For Resilient and Equitable Growth and Development Project (SUNRED II) to leverage the support provided to MEF to integrate gender and climate markers in the SPO and build capacity of the subnational level in climate and gender sensitive budgeting. The gender component will be advanced further through close collaboration with the EU-UN Spotlight Initiative, working towards the elimination of all forms of violence towards women and girls. Similarly, partnerships with the CO´s Human Rights project will be investigated given the request from the Ombudsman.

Finally, given the need for integrating local authorities in the CO´s Peace and Social Cohesion project in order to increase their sense of ownership, coordination with this project will be sought out.

- **Coordination:**

The project will coordinate closely with representatives of other actions, projects, programmes and initiatives operating within the same field in order to complement activities, build on lessons learned, and avoid duplication. For the socio-economic components of the project, close coordination with the European Union funded action in Local Development for the Consolidation of Peace in Mozambique (DELPAZ) will be ensured. For the capacity building component of the project, coordination will be sought out with the German Government's Development Service (GIZ), which is currently engaged in capacity building at subnational level for supporting decentralization processes. Finally, for the component of

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localizing SDGs, coordination with the existing initiative led jointly by UNDP and the Andalusian Government cooperation on localizing the SDGs will be ensured.

In terms of potential partners within the UN agencies listed in the decentralization working group, UNICEF stands out. As UNICEF works actively to support provincial Development Observatories in Mozambique, there is ample opportunity to build a partnership. UNICEF is expecting to continue their support to DOs in Zambézia and Nampula, and they are currently exploring a possible extension of their support to Sofala and Cabo Delgado. An initial introductory meeting with UNICEF has already been held and they were very open to explore a prospective partnership with UNDP. UNICEF would like to learn more about the approach that UNDP will take and identify unique areas so that avoidance of duplications can be coordinated.

Additionally, the Andalusian Agency for International Cooperation for Development (AACID) has been working with Cabo Delgado for over 12 years, along with the Spanish Agency of International Cooperation (AECID). Both agencies are implementing projects to supporting local authorities in the mentioned provinces It is paramount to coordinate all local activities with both AACID and AECID. Moreover, the Swiss cooperation is working with local authorities in Cabo Delgado, so projects activities will be aligned and coordinated the activities carried out by the Swiss cooperation.

Outsourcing:

UNDP is also eager to explore potential partnerships with academia and NGOs in the respective territories. In terms of academic institutions, UNDP has experience working with University of Eduardo Mondlane (UEM), who could assist in creating knowledge products related to decentralization or facilitating hackathons where youth can participate in finding specific solutions for lower tiers of the government. UEM and UNDP are currently working together to support a hackathon where solutions related to e-governance promoting decentralization initiatives can be developed.

The project will also work actively with the National Association of Municipalities of Mozambique (ANAMM) to ensure the articulation between municipal dynamics and territorial processes. UNDP may in some cases request ANAMM to manage some activities that fall within the scope of the association's own action. The table below shows the different types of partnerships intended:

Internally UNDP	Social cohesion, SDGs, Gender, Accelerator Lab, Environment
Coordination	UNCDF, UNWOMEN, UNICEF, UNHABITAT, WB, ADA (Austrian Cooperation), USAID
Complementarity	GIZ, USAID, ADA, Spain, Italy, AACID, AECID, Swiss Cooperation, etc.
Outsourcing	Three NGOs in the respective territories, UP, Academia (including University Eduardo Mondlane), National Association of Municipalities of Mozambique (ANAMM). MAEFP and MEF as Responsible Parties. Provinces Services.

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Partnership with other UN agencies

For some of the project activities related to subnational institutions´ capacity development, it is foreseen that UNDP will enter into partnerships with UN agencies that have a strong comparative advantage and experience on related strategic issues (for example with UNWOMEN in relation to women empowerment). The details and the specific budget related to UN Agencies engagement, if engaged, will be elaborated after the institutional assessment of both national and subnational institutions, which is meant to identify the specific capacity needs assessment for each of them. If needed, the Description of the Action, Budget of the Action and/or the Communication & Visibility Plan will be amended accordingly, as need be, in line with the provisions of Article 11 of the General Conditions, Annex 2 to the EU-UNDP Contribution Agreement.

2. PILOTS AREAS

Proposals:

1. Province of Cabo Delgado
2. Province of Sofala
3. Province of Manica

Selection criteria:

The choice of areas of intervention responds, on the one hand, to UNDP's proven capacity to be the leading agency in subnational governance and territorial approaches and, on the other hand, to test the methodologies in different areas of the countries facing different challenges in the field of decentralization.

- Presence of projects financed by UNDP, which allows for integrated action rather than isolated actions.
- Balance in Geographical Distribution
- Complementarity with other international cooperation partners.
- Areas where subnational governance strategies can be used as a means of conflict prevention and social cohesion.
- Areas with a high potential for economic development through the exploitation of endogenous resources.
- Priority areas for government's interventions.
- Commitment of the local authorities.

The province of Cabo Delgado undoubtedly faces a unique security situation compared to the other two provinces due to the ongoing conflict. According to UNDP's risk assessment, while some districts in Cabo Delgado have been identified as being too high risk, there remain a number of secure areas for project intervention. It has therefore been decided that all the activities will be implemented in the district of Pemba, which is considered to be a secure zone. This implementation will be facilitated by a UNDP sub-office which is being built in Pemba and which will ensure that staff members can follow the intervention activities closely. Additionally, the security situation will be followed closely in order to ensure that appropriate measures are taken to address any incoming security risks.

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3. MANAGEMENT STRUCTURE

3.1 Implementation Modalities

The project will be implemented by the United Nations Development Programme (UNDP), in accordance with the provisions of the EU-UNDP Contribution Agreement. UNDP will ensure financial management and coordination through the direct implementation modality (DIM). This also includes awarding Letter of Agreements (LOAs) with Responsible Parties, as well as other kinds of official agreements that may apply in accordance with the specific partner modality.

However, in order to ensure national appropriation, UNDP will ensure financial management and coordination with Responsible Parties, such as the Ministry of State Administration and Civil Service (MAEFP) and the Ministry of Economy and Finance (MEF), the three selected NGOs in the respective territories, UEM, ANAMM and the Subnational Governments (Provinces, Districts and Municipalities).

In this regard, UNDP will play a role of quality assurance of all activities carried by the different responsible parties. UNDP will also be fully responsible vis à vis the EU for the financial management of the resources.

Direct Implementation (DIM) is the modality in which UNDP takes responsibility for implementation (Project Manager) In order to ensure the proper and efficient implementation of the project, UNDP will carry out Project Management activities, and those related in particular to Communication & visibility (C & V), guarantee and implementation support - including project office costs, and monitoring & evaluation (M & E). However, UNDP and the EU will engage in close dialogue, where necessary, and especially in critical phases of the project.

3.2 Organizational Structure and Responsibilities

In accordance with the DIM modality, a Project Management Unit (PMU) will be established including the existing Decentralized Governance Promotion Programme staff, who will work on this specific Decentralization for Development – D4D project when it starts (CTA, Social Cohesion and Decentralization Analyst, Public Finance Management Specialist, Administrative and Finance Assistants, Administrative and Financial Analyst, Communication Analyst), in addition to the driver and the three Area Managers. The Area Managers will be located at the subnational level to support the implementation of the activities in the pilot provinces and they will be recruited by UNDP, as per the UNDP rules and procedures through public competition. The PMU will be responsible for the implementation of the project in consultation with the national partners. The physical location of the PMU should be within a governmental structure that is a beneficiary of the project.

From the Government side, two national Coordinators are foreseen to manage the activities related to each Ministry.

A Steering Committee will be established to oversee and approve the overall track and course of action of the project. The Steering Committee will have the following as the main functions: (i) Ensure that the results of the project are carried out and that the strategies are consistent; (ii) Supervise the

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implementation of the activities; (iii) Recommend on potential strategic changes; (iv) Analyze and approve operational work plans; (v) Review and approve project reports; and (vi) Approve the conclusions of the evaluation of the Project.

The Project Steering Committee, co-chaired by the Representative of the Ministry of Economy and Finance (MEF), the Ministry of State Administration and Civil Service (MAEFP) and by UNDP, will meet once a year: 1st quarter. The Steering Committee will consist of UNDP and, at least, the representatives from the ministries involved/beneficiaries of the planned activities, MAEFP and MEF, the European Union Delegation in Mozambique, and the Ministry of Foreign Affairs and Cooperation, the pilot provinces and its representatives. Other development partners may be invited to serve on the Steering Committee to ensure coordination with other stakeholders in the field of decentralization, as it is the case of the National Association of Municipalities of Mozambique (ANAMM). The PMU shall assure the secretariat of the Steering Committee. However, UNDP and EU will engage in close dialogue where necessary and especially in critical phases of the project.

Additionally, the Steering Committee will be complemented by a joint coordination mechanism focused on the overall EU Action, which will meet yearly and include the EU, MAEFP, MEF and UNDP. Additionally, there will be political and policy dialogue engagements between the EU, the UNDP and the Government of Mozambique.

UNDP will follow rules and regulations in terms of the DIM Modality, including the signature of letter of agreement with responsible parties if needed or other kind of agreement according to UNDP procedures for partnering on DIM projects:

- Both Ministries MAEFP and MEF, for implementing some of the activities under their responsibility as Responsible Parties (RPs)
- ANAMM for the transfer of funds for financing activities under ANAMM responsibility.
- UNDP will also sign agreements with the three selected NGOs in the respective territories.
- Provinces (Provincial Planning Directorate or provincial Sectoral Directorates) for financing local projects and local activities as Responsible Parties (RPs).
- University to carry out some of the activities of the capacity building strategy.

3.3 Project Management and Coordination – Project Office

The PMU, along with the Ministries, will establish a coordination and dialogue mechanism at the national and technical level to ensure the smooth implementation of project activities. This coordination mechanism will be composed of both Ministries (MEF and MAEFP) and the UNDP Decentralization for Development – D4D project staff. Similarly, the coordination mechanism will be in charge of project implementation to ensure the operationalization of the project strategy and intervention logic and will ensure the support to the implementation of daily activities.

The multiannual work plans that are budgeted and scheduled will be prepared in an inclusive way, with the participation of all involved institutions, reflecting the real and effective needs of the beneficiaries.

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The operational and management actions required to implement the project include, but are not limited to:

a) Ensuring operational start of the project;
b) Outlining project management and financial tools and guidelines;
c) Establishing the project Steering Committee;
d) Performing the daily management activities of the project.

These activities will be implemented by the project management coordination team to ensure efficient project management, implementation quality, and operations support.

The UNDP staff will be located in the city of Maputo, except for the Area Managers that will be located at provincial level, and will include staff who will perform several tasks, including technical assistance, administration and management, directly attributable to the implementation of the project. It will consist of specialized staff dedicated full-time and part-time to the project.

MAEFP, MEF and Subnational Governments, designed as Responsible Parties for the achievement of the strategic outputs of the projects at both national and subnational level, will be accountable to UNDP in accordance with the terms of the signed responsible party agreement or contract, with UNDP providing technical support for effective management, reporting and accountability.

The UNDP project team will be led by a Chief Technical Advisor (CTA), who, along with the rest of the team, will be responsible for program implementation; quality assurance; monitoring & evaluation; policy dialogue; risk management; reporting on progress; and partnership building. Along with nominated MAEFP and MEF staff, this team will constitute the Secretariat for this Program.

3.4 Project Management and Coordination

The team is structured as follows:

Chief Technical Advisor (CTA): The CTA (international) is a highly experienced expert with vast experience of high-level advisory services and team leadership. He will dedicate full time to the implementation of the project. He will serve as the principal technical advisor and overall coordinator of the Program and will be responsible for ensuring that the Program retains its strategic focus; provide senior level advisory support to government; ensuring the coherence and implementation of all components of the Program in accordance with the agreed priorities of government; take a lead coordinating role in consultations and coordination with government at all tiers and with other stakeholders; assist the government in overseeing the work of other advisors and consultants; and help ensure that the Program is well coordinated with other initiatives implemented by the government, other UN agencies and development partners.

Social Cohesion and Decentralization Analyst: This is a local professional, with good understanding, knowledge and experience of decentralization, peace building and community engagement. She will assist the government and the CTA on policy dialogue, stakeholder engagement and for analytical work related

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to decentralization. She will also assist in coordinating with subnational governments and officials. Parallel to the tasks above, the analyst will directly support the CTA in the daily implementation and management of the Program. Therefore, this professional will have extensive experience in project management. This professional will be based at UNDP, with regular work in MAEFP (periods to be agreed between the parties) and will commit 75% of her total work time to the project.

Public Finance Management Specialist: The Public Finance Specialist is an experienced professional in the dedicated area and with substantial understanding of economic decentralization. She will dedicate full time to the implementation of this project. She will assist the government (MEF) and the CTA with analysis of public finance. She will be based at UNDP, with regular work in MEF (periods to be agreed between the parties).

Administrative and Financial Specialist: Manages the daily administrative and financial activities related to the program and support the implementation of the project in Mozambique and will dedicate 50% of his/her time to the project.

The Area Managers (3 in total): They are in charge of supporting the implementation of activities at subnational level and providing technical assistance to the focal points of each local institution: provinces, districts and municipalities. They will work exclusively with the project and support the realization of reports and the organization of local agendas in addition to preparing a coordinated and integrated capacity building plan to improve the skills and performance of local actors. The Area Managers in Sofala and Manica will be contracted locally while the Area Manager in Cabo Delgado will be recruited as an International UNV, in order to respond to the complex needs in Cabo Delgado.

MAEFP Support: A Financial and Administrative Assistant for MAEFP will support the Ministry in the elaboration of the technical and financial reports for the justification of the activities integrated in the LOAs to be signed between UNDP and the Ministry. The assistant will also support the three provinces with the elaboration of the financial report and procurement processes. She will dedicate full time to the implementation of this project (50% for MAEFP and 50% for the provinces).

MAEFP will also provide office space for the Project Team hired by UNDP to enable close, daily collaboration and coordination with the MAEFP officials.

MEF Support: A Financial and Administrative assistant for MEF has been recruited by UNDP to support the Ministry in the elaboration of the technical and financial reports for the justification of the activities integrated in the LOAs to be signed between UNDP and the Ministry. The assistant will also support the three provinces with the elaboration of the financial report and procurement processes. She will dedicate full time to the implementation of this project (50% for MEF and 50% for the provinces).

MEF will also provide office space for the Project Team hired by UNDP to enable close, daily collaboration and coordination with the MEF officials.

Communication Analyst: The Communication Analyst will develop and implement a variety of communication tools to create awareness, raise visibility of the government efforts to improve decentralized governance, and to inform and engage various audiences including the public, government officials and political leaders at all levels, businesses, development partners, and civil society. The Analyst

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will support the government in the design and organization of visibility, advocacy and information sharing events and also provide inputs to content of publications, digital assets (websites, blogs, podcasts, social media messaging). She will commit 50% of her total work time to implement this project.

Driver: A driver will be hired to cover support for activities based by the main country office, in Maputo.

Project Office Costs

To ensure the implementation of the project from an operational and logistical point of view, the following items and staff falling under "project office costs" will be necessary:

Project Office Costs - Maputo:

- Office Expenses: telephone, internet services, office stationaries, securities
- Rental services of premises provincial level, operations and maintenance of office car, equipment
- Office car
- Computers, printers and scanners, furniture and equipment (office Setup)

Project Office Costs - Cabo Delgado

- Office Expenses: telephone, internet services, office stationaries, securities
- Rental services of premises provincial level, operations and maintenance of office car, equipment
- Office car
- Driver to support activities in Cabo Delgado Province.

Country Office Core Staff:

- ICT Associate: To support the staff by providing several ICT services such as UNDP accounts, equipment maintenance, analysis of the IT needs of the projects, analysis of the IT solutions of the project partners. There is an expectation of 5% of total work time committed to the project.
- Procurement Associate/Travel Unit: To support the purchase of airline tickets, management of per diems, car rental when necessary, management of the travel module in the ATLAS system, as well as logistical support for international and national missions. There is an expectation of 15% of total work time committed to the project.

Furthermore, to ensure the implementation and follow-up of activities, the project must acquire the following items and guarantee the following services. These items/services can be found on the annex III budget in the activities detail:

- Communication, Visibility & Audiovisual Print Production Costs
- Daily subsistence allowance for workshops, trainings, conferences and travel, as well as providing venue, food for participants, and resource materials (note books, pencils, workshop materials, lunch/coffee break)
- Training Facilitators and Simultaneous Language Translators, Equipment, and a Sound System.
- Air tickets for province level workshop/training/conference and international tickets for activities with an international component.
- Ground Transport (Fuel + Bus fare)
- National and international consultants to ensure the technical assistance of certain activities at subnational, national and international level.

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- The contracting of services and companies specialized in network management, database creation, creation of applications for local services, and implementation of key reforms.

4 RESULT MONITORING AND PROGRESS REPORTS

Project day-to-day technical and financial monitoring will be an ongoing process and part of the responsibilities of UNDP, in close consultation with the Government of Mozambique. To this end, UNDP shall establish a project technical and financial follow-up system and produce annual progress and final reports in accordance with the reporting requirements timeframe.

The ultimate goal of project monitoring is to learn lessons and incorporate them into the improvement of current and/or future projects. All project activities will be closely monitored by the UNDP in close consultation with the Government of Mozambique.

The steering committee may conduct additional follow-up visits to the project, either through its own staff or through independent consultants recruited directly by the committee for independent monitoring assessments.

Project reports will provide an accurate account of project implementation as well all difficulties encountered, changes introduced, and the degree of achievement of its results (outputs), according to the corresponding indicators, using the Logical Framework matrix as a reference. After the project´s initial urgent phase, in light of the inclusive preparation and approval of the national annual work plans, the Logical Framework matrix will be revised to reflect the indicators and baseline situations resulting from this exercise.

The final narrative and financial report will cover the whole project implementation period.

Various monitoring mechanisms will be used to monitor and secure the following: 1) that the project is making progress towards intended outputs, 2) that resources entrusted to UNDP and partners are utilized appropriately; 3) ensuring that there is continued national ownership, ongoing stakeholder engagement and overall project sustainability; and 4) that the project's outputs contribute to intended country programme outcomes. Monitoring mechanisms and tools will include annual progress reporting, risk logs, field visits, annual reports and reviews as per the established project management standard of UNDP. All project supervision and evaluation components will comply with UNDP rules and regulations as outlined in the POPP in the section on programme and project management.

UNDP will also ensure financial safeguards and due diligence with regards to risk and capacities assessment of selected partners under the Harmonized Approach to Cash Transfer (HACT) Framework. HACT entails that UNDP hires an independent international firm to assess the capacity of the given institutions to receive funds from UNDP, ultimately defining the risk involved in UNDP transferring funds to the institutions and dictating policies and procedures for cash transfer modality, audit, assurance and monitoring. The HACT is a commonly used by UNDP when it comes to partnerships with NGOs, Ministries, and other institutions.

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5 EVALUATIONS AND VERIFICATION

According to UNDP procedures, an evaluation plan will be developed during the implementation phase. The following evaluation exercises will be conducted within the project implementation period, in accordance with UNDP regulations and procedures:

a) 1 project mid-term evaluation, which is an internal (UNDP and partners) exercise to measure results and management;

b) 1 project final evaluation, including lessons learned, involving key project stakeholders and beneficiaries, with the objective of assessing project initial impact against the mid-term evaluation and Logical Framework outcome indicators and targets.

Independent consultants recruited with specifically established TORs will conduct external evaluation.

Mozambique, the Commission and UNDP shall review the conclusions and recommendations of the mid-term evaluation and jointly decide on the follow-up action to be undertaken and the necessary adjustments, including, if indicated, project refocusing.

UNDP shall inform the beneficiary country in advance of the dates foreseen for the external missions. The Beneficiary Country concerned shall collaborate efficiently and effectively with the evaluation experts and, inter alia, provide them with all necessary information and documentation, as well as access to the project facilities and activities.

6 COMMUNICATION AND VISIBILITY

For the Communication and Visibility (C&V) activities, provisions of the Financial and Administrative Framework Agreement between the European Union and the UN shall apply.

Thus, the C&V activities of UNDP - EU funded projects are conducted in harmony with:

a) General Conditions of the EU-UNDP Contribution Agreement ;

b) Joint guidance on visibility for EC-UN actions in the field;

UNDP will be responsible for implementing the C&V activities with respective budget. All necessary steps will be taken to advertise that the action is funded by the EU in accordance with the applicable contractual framework.

UNDP shall report on the implementation of the plan in accordance with the reporting requirements set out in its Contribution Agreement with the EU.

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The main objective of the project C&V plan is to communicate "positive partnership results" in all visibility activities focusing on results and results impact. It will evolve during project implementation and may include joint press releases, TV commercials, joint presentations, photo opportunities and publication of policy types in specialized press.

In addition to action-based communication activities, where possible and practical, C&V should be strategic and build broader sets of activities or programmes, focusing on activities that best serve target audiences.

UNDP is responsible for keeping the EU Delegation in Mozambique fully informed on the planning and implementation of the appropriate milestones for specific C&V activities.

The Project should report its C&V actions, as well as the results of the project as a whole to the relevant monitoring committees.

UNDP will coordinate all communication activities with the EU Delegation in Mozambique as well as regional communication initiatives funded by the European Commission.

6.1 Implementation of the Communication and Visibility Plan

The Communication & Visibility (C&V) plan will have a main budget, and the indicative actions to implement it include:

a) Dissemination of project information - social networks (website / Facebook / Twitter) and newsletters.
b) Publishing of project reports and relevant bibliography.
c) Project file and institutional memory.

The details of the C&V Plan are laid down in the Annex 6 to the Contribution Agreement.

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APPENDIX 1 . OUTLINE OF MOZAMBIQUE'S DEVELOPMENT PARTNERS WORKING WITH DECENTRALIZATION

NB: if a current decentralization project/programme could not be identified, the most recent one is listed

Org.	Project/ Programme	What	Where	When	For whom	Institutional Links	Budget	Overlaps with UNDP Decentralization Project
World Bank	National Urban Development and Decentralization Project (PDUL)	Improve institutional capacity of the Government of Mozambique to support its decentralization policies, and to improve the performance of selected municipalities and districts in the poorest provinces to deliver basic infrastructure and services. Component 1: Urban Infrastructure and Municipal Services (USD 92 million). Component 2: Decentralization Policy Reforms and Institutional Strengthening (USD 20 millions)	Comp 1a (Gaza, Niassa, Zambezia and Sofala). Comp 1b (all 53 municipalities)	2021 - 2026	Support to municipalities + advice to Government	MEF, MOPHRH	USD 117 M	Strengthen actors engaged with decentralization reforms
USAID	Local Governance Strengthening (LOGOS) Project	Strengthen the effectiveness, inclusiveness, accountability, and transparency of subnational governance in targeted provinces.	Nampula, Zambezia and Cabo Delgado	Est. 2021-2026	Services to citizens, support to media, strengthening of civil society, strengthening community resilience		USD 20M	Improve delivery of public services to citizens

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German Cooperation/ GIZ	Good Financial Governance II (BGF II)	Improvement of financial governance processes with regard to transparency, sustainability and effectiveness. It focus on four thematic interventions areas: i)creating the conditions for strengthening decentralization; ii)improving of financial governance processes in municipalities in Sofala and Inhambane provinces, particularly regarding own revenue mobilization, budget execution, internal control, HR management and oversight by the municipal council; iii)extending the audits in strategic sectors , and the publication of judgements by the Supreme Audit Institutions and; iv) increase government transparency about process and use of the 2.75% of the production taxes from the extractive sector that are to be transferred to communities affected by extractive activities.	6 municipalities in Sofala and Inhambane (extension to Niassa and Nampula on behalf of Swiss Cooperation underway).	2019 – 2021 (extension to 2023 underway)	Advice to Ministries, Municipal support (e.g. HR management, council oversight, internal control) + Supreme Audit Institution support + support communities affected by EI through transparent tax process support.	MAEFP Administrative Court (TA)	€ 11,4 over ca. 2,5 years (extension to € 25,3 over ca. 4,5 years incl. Swiss co-financing underway)	Financial Governance processes
DFID	Transparency and Accountability for Inclusive Development (TAcID) Pogramme (under tender)	Increased government transparency, accountability and responsiveness to civic demands, including through better allocation of resources and more participatory and inclusive planning and decision-making processes. (link)	Two provinces, one of which is expected to be either Cabo Delgado, Nampula or Tete	2020-2024	Active engagement with Youth. Poor and vulnerable are main beneficiaries.	NA	GBP 7M	Support institutional reforms

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UNCDF	Local Climate Adaptive Living programme (LoCAL)	Improve the resilience of districts to climate change as a result of increased access to climate change adaptation financing through grants such as the Performance-based Climate resilience Grant (PBCRG), co-financed by Belgium, SIDA, and the EU.	Districts in Gaza and Inhambane - The main criteria for the selection of the participating districts in the LoCAL initiative was to have an existing climate change Local Adaptation Plan.	2018-2023	Representatives from subnational government authorities, together with government officials from the Provincial Directorate of Land, Rural Development and Environment, Provincial Directorate of Economy and Finances, and the Provincial Directorate of Public Works	Local govt authorities	USD 15M	NA
UNICEF	Country Programme	Strengthened legal framework and justice services adequately respond to children in contact or in conflict with the law, supporting consolidation of decentralization	Nampula and Zambezia (possible extension to Cabo Delgado and Sofala)	2017-2020	Children and vulnerable groups	MEF Provincial Government Municipalities	NA	Development Observatories Strengthening PFM at subnational level Child Friend cities
Swiss Development Cooperation [22]	Decentralization for Inclusive Development	Reduce inequality and improve the living conditions of the population in municipalities and districts through better service delivery thanks to improved	Nampula, Niassa	2021 – 2023 (1st phase, to be	Citizens, particularly youth and women (to		USD 10M	Service delivery to citizens

[22] (In the original text this was written as a UNCDF project since it's the implementing partner DC)

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		financial processes and active participation of organized citizens in local decision-making processes.		followed by 2 other phases till ext. 2030)	engage with municipality and district authorities) and participate in decision making and oversight of basic services.			
EU	Support to peace consolidation on Mozambique – Part 1 – local governance and initial economic recovery	Support to Peace and Nacional reconciliation Decentralization and local economic development	Sofala Manica Tete (provinces that are the most affected by the conflict in the central region)	2020-2025	Rural communities in conflict affected districts, with a special focus on women, youth and disadvantage groups.	MITADER MASA MAEFP MEF MIC Provincial Gov Municipalities Districts	€25 M	Development Observatories In the original text this was written as a UNCDF project since it's the implementing partner
	Support to peace consolidation on Mozambique – Part 2 - Decentralization	The project aim to contribute towards the consolidation of sustainable peace and social cohesion in Mozambique through three components: i)Strengthened implementation of the revised legal mandates for decentralized governance institutions; ii)enhanced a more effective and accountable management of public resources and services; iii)enhanced enabling environment for civil society actors for gender responsive, an inclusive and accountable local governance throughout the country.	All country	Dec 2021 – Nov 2027		MAEFP	€15 M	
Spanish Bilateral Cooperation	Strengthening of competences in PFM and Decentralized management		Maputo Cabo Delgado	Ongoing		Direcção Provincial de Economia e Finanças		Public Financial Management

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Agency with Andalucia	Support agricultural development in Maputo Province		Maputo	Ongoing		Direcção Provincial de Agricultura e Segurança Alimentar		
	Strengthening of institutional capacities and technical competences for agricultural development		Maputo	Ongoing		Direcção Provincial de Agricultura e Segurança Alimentar		
Sweden	AGIR II	Strengthening civil society through support to CSOs at provincial and district level. Enhancing platforms for citizens to fully enjoy their rights to inclusion and equity, to redistribution of wealth created from the country's patrimony, to accessible and affordable public services of good quality, to basic civil freedoms and to political representation and participation; in a peaceful and ecologically sustainable environment.	All provinces	2014-2020	Civil society, particularly the most marginalized	-	862.5 SEK	
Agence Française de Développement (AfD)	Mobilize your City	To Develop policies and short, medium and long-term strategies for sustainable urban mobility	Maputo and Matola City	2019-?		Agencia Metropolitana de Transportes de Maputo		
Italy	Drainage System Development	To improve informal settlements. To improve territorial governance through institutional strengthening of the municipalities of Pemba and Maputo - Participatory planning; municipal services and professional training	Maputo City Pemba City	2017-2022		MOPHRH Municipalities AIAS	€ 63.2 M	Training and service delivery

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Ireland	Support to Provincial programmes in Niassa and Inhambane	To increase capacity to deliver services and promote decentralization	Niassa Inhambane	2012-Ongoing ?		Provincial Governments	€ 20 M	
Decentralized cooperation	Portugal, Spain, France, Italy		several provinces and municipalities					Capacity building , exchange of local administration management practices

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APPENDIX 2. PROJECT MONITORING PLAN

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring plans:

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	MAEFP and MEF	Including in the budget
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	MAEFP and MEF	Including in the budget
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	MAEFP and MEF	Including in the budget
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	MAEFP and MEF	Including in the budget

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Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	MAEFP and MEF	Including in the budget
Steering Committee	A progress report will be presented to the Steering Committee and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		MAEFP and MEF	Including in the budget
Project Review (Steering Committee)	The project's governance mechanism (i.e., steering committee) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Steering Committee shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	1 annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	MAEFP and MEF	Including in the budget

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APPENDIX 3. OFFLINE RISK LOG

Project Title: Decentralization for Development - D4D		

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
	Enter a brief description of the risk	*When was the risk first identified*	*Environmental* *Financial* *Operational* *Organizational* *Political* *Regulatory* *Strategic* *Other*	*Describe the potential effect on the project if this risk were to occur* *Enter probability on a scale from 1 (low) to 5 (high)* *P =* *Enter impact on a scale from 1 (low) to 5 (high)* *I =*	*What actions have been taken/will be taken to counter this risk*	*Who has been appointed to keep an eye on this risk*	*Who submitted the risk*	*When was the status of the risk last checked*	*e.g. dead, reducing, increasing, no change*
1	Degradation of the political situation in the country impacting	February 2021	Political	If this risk occurs, it is possible that the project will not be able to deliver activities in the field of decentralization P = 2	Repurposing the activities to adapt them to the new conflict situation. A new set of activities will be figure out to alleviate the consequences of an	Project Management Unit (PMU)	UNDP Mozambique	February 2021	No change

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	political stability.			I = 4	unexpected political change.				
2	Lack of governments' willingness to implement decentralization reforms	February 2021	Political	If this risk occurs, it is possible that activities will slow down at national level. P = 2 I = 3	The political dialogue between the UNDP and the EU and peer pressure for accelerating decentralization reforms transparency, especially in those activities that receive budget support from the EU/UNDP.	Project National Coordination Committee & Steering Committee	UNDP Mozambique	February 2021	No change
3	Government instability or change in its composition may alter political priorities.	February 2021	Political	If this risk occurs, it is possible that project pertinence is questioned and national ownership decreases. P = 1 I = 4	The formulation phase and will allow reconfirming the alignment with the respective national priorities.	PMU & Project National Coordination Committee	UNDP Mozambique	February 2021	No change

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4	Lack of capacity of beneficiaries to get involved, accompany and appropriate the results of activities of the project.	February 2021	Organizational	If this risk occurs, the sustainability and exit strategy of the project might be affected. P = 1 I = 4	Strong component of technical assistant, to support drafting of annual work plans by the beneficiaries in a participatory way that allows effective responses to the demands and needs through efficient budget appropriations and planning both at national and subnational levels. Ensure that the project's country coordination committee meet and follow-up the implementation of the activities at both national and subnational level.	PMU/project Board	UNDP Mozambique	February 2021	No change
5	Varying levels of capacity between stakeholders from different administrative levels participating in	February 2021	Organizational	If this risk occurs in some institutions and with some beneficiaries, ownership and capacity development among these beneficiaries will be low and this will impact the sustainability and exit	A training needs assessment will be conducted to verify specific needs specific for new Ips, Provinces, Districts, Municipalities, Universities and CSOs.	PMU/project Board	UNDP Mozambique	February 2021	No change

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	project activities.			strategy of the project. P = 4 I = 4					

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APPENDIX 4. THEORY OF CHANGE: DECENTRALIZATION FOR DEVELOPMENT – D4D

IMPACT: To contribute to strengthened democratic governance and peacebuilding in Mozambique through supporting the decentralization process, enhancing the ability of national Ministries (MAEFP and MEF), the decentralized governance bodies and the provincial bodies of State representation to provide quality public services to citizens, improve socio-economic conditions and reduce conflicts.

OUTCOMES

Strengthened technical capacity of both National Government, the decentralized governance bodies, and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).

Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.

OUTPUTS

Decentralized governance bodies, provincial bodies of State representation and central government agencies' capacities are strengthened, and their impartiality improved with a special focus on promoting inclusive, equitable and sustainable social development and gender empowerment in subnational governance.

Mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned are in place

Enabled National Environment for responsive, agile subnational governments

Decentralized Governance improved by testing decentralization reforms and putting socio-economic projects into to practice to improve the living conditions of the population at subnational level

Project's implementation, tracking and evaluation, and reporting are performed efficiently and effectively.

STRATEGIES

At National Level

- Enabling National Mechanism for Implementing the Decentralization Package
- Revised legal mandates
- Reinforcing Existing Mechanisms: National Coordination Council, Local Councils
- Establish a roster of eligible Mozambique-based consultants
- knowledge sharing and dissemination

Human Rights based approach

Gender Based Approach

Territorial approach

Citizen inclusion and participation

At Territorial level (Province, District and Municipality)

- Improve local governance and local dialogue between local stakeholders for local peacekeeping (social cohesion project coordination): LC,DO,PCC
- Improve subnational government capacities for delivery quality public services in a timely manner.
- Strengthen subnational level capacities for a better Public finance Management
- Enhance socio-economic opportunities of people in need at the subnational level.
- Enhance capacity to monitor the progress of the SDGs at the subnational level.

PROBLEMS

The implementation and translation into practice of the new Decentralization package has been slow and the delivery of services is not yet visible. Limitations in the coordination mechanisms, technical capacity for important PFM functions are observed. Yet the capacity of the central and decentralized bodies to engage , timely respond to citizens needs and accountability are to be addressed to guarantee better public services .

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APPENDIX 5. INDICATIVE LOGICAL FRAMEWORK BASELINES AND TARGETS

	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (incl. reference year)	Targets (incl. reference year)				Sources and means of verification	Assumptions
				Year 1	Year 2	Year 3	Year 4		
Impact (Overall Objective)	Strengthened democratic governance and peacebuilding in Mozambique through supporting the decentralization process, enhancing the ability of national Ministries (MAEFP and MEF), the decentralized governance bodies and the provincial bodies of State representation to provide quality public services to citizens, improve socio-economic conditions and reduce conflicts.	• Number of reforms on decentralization officially approved and implemented. • Reported presence/absence of physical conflict among political actors within selected provinces and districts. • (%) in the proportion of district population living below the national poverty line, by sex and age (SDG).	2020 (1) 7(Laws) 7 decrees (2020) (2)14.000 (3) na	(1)10 (2) (3)	(1)12 (2) (3)	(1)14 (2) (3)	(1)16 (2) (3)	• Parliament decrees • Media reports • Government Reports • INE statistics	• Stability and legitimacy of national governance institutions at all levels
Outcomes (Specific Objectives)	Strengthened technical capacity of MEF, MAEFP, the decentralized governance bodies and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).	1.1. Number of official documents and legal tools within the decentralization package revised and duly endorsed. 1.2. Number of national decentralization decrees implemented at subnational level. 1.3. Number of national action plans to directly support sub national government request for technical assistance on decentralization reform mechanisms. 1.4. Number of TA roster platform specialists for providing assistance to sub national governments officially created. 1.5. Number of short-term technical assistance (TA) and coaching	2020 SO 1.: (1) 0 (2) 0 (3) 0 (4) 0 (5) 0 (6) 2 (7) 0 (8) 0	Year 1 SO 1.: (1) 4 (2) 1 (3) 0 (4) 0 (5) (6) 1 (7) 0 (8) 0	Year 2 SO 1.: (1) 6 (2) 3 (3) 3 (4) 1 (5) 3 (6) 2 (7) 1 (8) 1 (p)	Year 3 SO 1.: (1) 8 (2) 5 (3) 3 (4) 1 (5) 6 (6) (7) 1 (8) 2 (p)	Year 4 SO 1.: (1) 10 (2) all approved (3) 3 (4) 1 (5) 10 (6) (7) 1 (8) 3 (p)	• Government Reports • INE statistics District plans and budget reports and statistics	• Stability and legitimacy of national governance institutions at all levels. • Long-term economic stability • No major disaster affecting the target territories. • Key stakeholders link improved social and economic development to decentralization reforms • Existence of a relevant number of Mozambican experts in the field of LD&LG.

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		services to provincial and national authorities 1.6. Number of situation analyses to identified TA provincial needs on the decentralization legislation knowledge for an effective implementation. 1.7. Number of Handbook of Local Development and Local Governance (LD&LG) and of local public administration good practices. 1.8. Number of provinces and districts linked to the national network of LG&LD experts. Linkinmodex.							
	2. Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.	2.1. Number of mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned to all those interested are in place. Number of exchanges of good practices at both national and international level. 2.2. Number of Networks of Mozambican technical Assistance specialists on LG&LD decentralization/local finance/social cohesion. 2.3 Number of provinces implementing the decentralization revised legal tools as a mean for carrying out inclusive strategic planning process aligned with the SDGs. 2.4. Number of local populations disaggregated by sex benefiting from local impact project implemented by provinces and districts in partnership with national and international institution.	SO 2.: (1) 0 (2) 0 (3) 0 (4) 0 (5) 0	SO 2.: (1) 0 (2) 0 (3) 0 (4) (5) 0	SO 2.: (1) 1 (2) 1 (3) 4 (4) (5) 2	SO 2.: (1) (2) 2 (3) 5 (4) (5) 2	SO 2.: (1) (2) 3 (3) 6 (4) (5) 2		

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		Coaching process to test the reforms. 2.5. Number of existing national mechanisms for territorial coordination and decentralized reforms guidance operationally in place							
Outputs	***Specific Objective 1:*** Strengthened technical capacity of MEF, MAEFP, the decentralized governance bodies and the provincial bodies of State representation to define the technical and legal mechanisms for decentralization and its effective implementation at the subnational level (Province).								
	Output 1.1 Decentralized governance bodies, provincial bodies and central government agencies' capacities are strengthened, and their impartiality improved with a special focus on promoting inclusive, equitable and sustainable social development and gender empowerment in subnational governance.	1.1.1. Number of laws and decrees within the decentralization package revised and duly endorsed. 1.1.2. Number of national decentralization decrees implemented at subnational level. 1.1.3. Number of national action plans to directly support sub national government request for technical assistance on decentralization reform mechanisms. 1.1.4. Number of TA roster platform specialists for providing assistance to sub national governments officially created. 1.1.5. Number of short-term technical assistance (TA) and coaching services to provincial and national authorities 1.1.6. Number of Handbooks on Local Development and Local Governance (LD&LG) and of local public administration good practices. 1.1.7. Number of situation analyses to identified TA provincial needs on the decentralization legislation knowledge for an effective implementation.	**2020:** (1) 0 (2) 0 (3) 0 (4) 0 (5) 0 (6) 0 (7) 0	Year 1 (1) (2) 1 (3) 3 (4) 0 (5) (6) 0 (7) 1	Year 2 (1) (2) 4 (3) (4) 1 (5) (6) 0 (7) 2	Year 3 (1) (2) 7 (3) (4) (5) (6) 1 (7)	Year 4 (1) (2) all approved (3) (4) (5) (6) 0 (7)	1.1.1. National platform for decentralization reform guideline and report 1.1.2 Project reports and list of presence in the meetings. 1.1.3. Laws, decrees and analytical reports produced. Reports on reform implementation by key ministries and parliamentary commissions. 1.1.4. Platform 1.1.5. Number of services 1.1.6. Handbook. 1.1.7.. Provincial or district official diagnosis.	• Legislation supportive of local decentralization approved and implemented • Adequate resources are allocated and available to sub-national bodies. • Government provides enabling environment for decentralization reforms at provincial and district levels • District and provinces officials commitment to project supported governance, planning, and local development support activities • Government institutions provide timely and accurate data • Partners contribute actively to project reporting and monitoring

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	Output 1.2 Mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned are in place.	1.2.1. Number of mechanisms for knowledge sharing and dissemination of specialist inputs, good practices and lessons learned to all those interested are in place. 1.2.2. Number of Networks of Mozambican technical Assistance specialists on LG&LD decentralization/local finance/social cohesion. 1.2.3. Number of provinces and districts linked to the national network of LG&LD experts. Linkinmodex. 1.2.4. Number of national and local servant trained on decentralization package and local development package and Number of national and provincial leaders (government, parliamentary, civil society, or academic) who participated in workshops about aspects of subnational governance with a focus on decentralization reforms, peace building, social inclusion and gender. 1.2.5. Number of local population sensitized to the importance of achieving the SDGs and their impact on improving their daily lives through community radios.	**2019:** (1) 0 (2) 0 (3) 0 (4) (5)	Year 1 1) 0 (2) 1 (3) 0 (4) (5)	Year 2 1) 2 (2) 1 (3) 0 (4) (5) 3	Year 3 1) 0 (2) 1 (3) 3 (4) (5) 3	Year 4 1) 0 (2) 1 (3) (4) (5) 3	1.2.1National mechanism guideline. 1.2.2 E-Platform. 1.2.3. provinces affiliated to the network 1.2.4.. training reports 1.2.5. project reports on radio community.	
	Specific Objective 2: Enhanced capacity at subnational level (Province) to carry out inclusive governance processes through the coordination of territorial stakeholders and the implementation of socio-economic development strategies linked to public policies and aligned with the 2030 Agenda.								

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	Output 2.1 Enabled Environment for responsive, agile subnational governments	2.1.1 Number of local 'Development Observatories" acting as local development platforms with inclusive representation of social groups including gender and youth. 2.1.2. % of Resources allocated to provinces in 2023 Budget based on formula as defined in the updated legislation 2.1.3 Number of studies on revenue potential/capacity study for province level 2.1.4. Number of provinces trained in the new planning and Budgeting System for 2022 PESOE 2.1.5. Number of existing national mechanisms for territorial coordination and decentralized reforms guidance operationally in place. 2.1.6. Selection of pilot territories to implement decentralization reforms mechanisms. .	**2019:** (1) 2 (2) 0 (3) 0 (4) 3 (2020) (5) 0 (6) 0	Year 1 (1) 2 (2) (3) (4) (5) 0 (6) 0	Year 2 (1) 6 (2) (3) (4) 3 (5) 2 (6) 0	Year 3 (1) 8 (2) (3) (4) 6 (5) 2 (6) 0	Year 4 (1) 10 (2) (3) (4) 10 (5) 2 (6) 0	2.1.1, Development observatory reports. 2.1.2 Study report. 2.1.3. Development Observatory Reports 2.1.4. Status of enactment of annual budget including gender-responsive budgeting 2.1.5. Project reports and list of presence in the meetings. 2.1.6 Steering committee minutes.	• Subnational governments are committed to use governance mechanism • International, national and local partners are engaged on supporting together local strategic plans aligned with the SDGs. • Subnational government acting with transparency and effectiveness for implementing local impact projects. • CSO and private sectors are fully engaged on the strategic planning participatory process. • Local leaders change their mindsets to implement decentralization reforms in the pilot provinces and districts
	Output 2.2. Decentralized Governance improved by testing decentralization reforms and putting socio-economic projects into practice by improving the living conditions of the population at subnational level.	2.2.1 Number of Province Strategic Development Plans and Annual plans and budgets aligned with national plans and with the SDGs developed through inclusive participation, approved, and being transparently implemented. 2.2.2 Number of projects within the Gender pillar integrated into the Local Strategic Plans and number of projects within the Local economic development pillar reflected in annual plans. 2.2.3. Number of official servants, official elected, CSO representatives and private sector representatives trained on decentralization reforms package, SDGs localizing process.	**2020:** (1) 0 (2) 0 (3) 0 (4) 0 (5) 0 (6) 0% (7) 0%	Year 1 (1) 0 (2) 0 (3) 50 (4) 2 (5) (6) (7)	Year 2 (1) 3 (2) 7 (3) 100 (4) 3 (5) (6) (7)	Year 3 (1) 4 (2) 10 (3) 150 (4) 4 (5) (6) (7)	Year 4 (1) 5 (2) 15 (3) 200 (4) 5 (5) (6) (7)	2.2.1 Annual reports and strategic plans 2.2.2, Province or district annual investment plan. 2.2.3.List of participants. 2.2.4 Provincial and District planning and implementation reports. 2.2.5 project reports. 2.2.6. letters of engagement , partnership letters	

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		2.2.4 Number of inclusive facilitation processes / dialogue mechanisms implemented at provincial level to minimize tensions resulting from subnational political reforms. 2.2.5 Beneficiaries of socio-economic impact projects (disaggregated by gender and targeted disadvantaged groups). 2.2.6 Proportion of project's budget financed by private sector, NGOs, bilateral cooperation or sectoral (ministries plans) . 2.2.7 Proportion (%) of beneficiaries (disaggregated by gender and targeted disadvantaged groups).						and project documents. 2.2.7 project document.	
	Output 2.3. Project's implementation, tracking and evaluation, and reporting are performed efficiently and effectively.	2.3.1 Number of technical and financial reports prepared and endorsed by the EU 2.3.2 Number of persons recruited to manage the project. National coordinator and Financial assistant. 2.3.3 Number of project coordination mechanism for facilitate decision making and number of institutions member of the steering committee. 2.3.4 Number of Communication products launched along project's implementation 2.3.5 External and Internal evaluations of the project.	**2020:** (1) 0 (2) 0 (3) 0 (4) 0 (5) 0	Year 1 (1) 1 (2) 2 (3) 1 (4) 2 (5) 0	Year 2 (1) 1 (2) (3) (4) 6 (5) 1 (mid evaluation)	Year 3 (1) 1 (2) (3) (4) 8 (5)	Year 4 (1) 1 (2) (3) (4) 10 (5) 1 (internal evaluation)	2.3.1, Annual reports. 2.3.2. Tors 2.3.3. Tors 2.3.4. Communication products 2.3.5 Evaluation reports	

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