

## Engagement Facility for support to Local Governance, Decentralisation and SDGs localization

### Implementing Partners:

- *Ministry of Economy & Finance*
- *Ministry of State Administration and Public Service*
- *Provincial Government of Gaza*
- *Provincial Government of Nampula*

**Start Date:** 1 November 2018   **End Date:** 31 December 2018

**Total Resources Required:** \$ 348,550

Brief Description
<p>The UNDP Country Office Mozambique has been supporting the decentralisation process and strengthening local government capacity for participative and inclusive planning and equitable local development for over 20 years, and with notable success. The current phase of support has come to an end in 2018 and the design of a new phase is currently under discussion with Government. However, the new phase is only likely to be finalised in 2019 and will be aligned with the mandate of the new administration that will be elected and hold office for the period 2020-24.</p> <p>The Engagement Facility will be used to provide bridging finance to support the implementation of a set of activities prioritised by Government which are necessary for the implementation of a new decentralisation package resulting from an agreement between Government and the opposition in 2018 and prepare the ground for the localisation of the SDGs through awareness raising activities and technical assistance for their alignment with, and integration into, local development plans.</p>

### Contributing to the following Outcome/Outputs (UNDAF/CPD)

The Engagement facility will contribute to achieving the following **UNDAF outcomes**:

- All people benefit from democratic and transparent governance institutions and systems that guarantee peace consolidation, human rights and equitable service delivery (UNDAF Outcome 8); and
- Poor people benefit equitably from sustainable economic transformation (UNDAF Outcome 2)

And the following **CPD Outputs**:

- Frameworks and processes for effective and transparent engagement of civil society in national development enhanced (CPD Output 4.3); and
- Decentralization process and local governance systems enhanced to improve service delivery (CPD Output 4.4)

## **1.0 Introduction and Background**

Substantial progress has been achieved in strengthening local governance since the roles and functions of provincial and district governments were clarified by the landmark 2003 Local Government Act (LOLE). District Governments received fiscal transfers for the first time in 2006 for recurrent and investment expenditure and a block grant for local infrastructure and economic development in 2008. These gains are now central features of the local governance landscape in Mozambique and the approval by the Council of Ministers in 2012 of the National Policy and Strategy for Decentralisation (PED), together with its implementation plan (PIPED) approved in February 2016, represent important milestones for local government in Mozambique.

Despite these gains, challenges persist and the fall-out from the 2014 general election has brought the issue of decentralization sharply back into focus. Faced with an increasing threat to peace and stability, the Government of Mozambique (GoM) has worked hard to resolve tensions and reached an agreement with the opposition in February 2018 that will have significant implications for local governance, accountability and the decentralisation process.

UNDP has been working in partnership with Government to strengthen local governance since the mid-1990s and has had an influential and instrumental role in supporting the Mozambique's decentralization and local government reforms. Governance projects supported by UNDP have piloted the use of participative planning methodologies and local development funds that have evolved into national programmes that are now mainstreamed as part of a government policy. UNDP has invested over \$20 million in technical assistance and support for the decentralization process, and decentralization and local development have been key components of UNDP's country programme since 1996. UNDP's current support to the national decentralised planning and finance programme came to an end in 2018.

A new programme phase to consolidate achievements in the field of local governance and local development is currently being prepared in consultation with the Government. But given that the mandate of the current administration is coming to an end and that presidential, parliamentary and provincial elections will take place in 2019, it is likely that the new programme phase will be designed to align with the programme and mandate of the new Government and will thus only start in 2020. In the intervening period a number of activities require support to support the implementation of the new "decentralisation package" and prepare the ground for the next phase of UNDP's support for the decentralisation process, and to strengthen local governance and local development

## **2.0 Rational for the Engagement Facility**

Despite moderate progress towards the Millennium Development Goals, the 2014/15 poverty survey indicates that economic growth in Mozambique has not yet translated into poverty reduction, and that the country continues to confront challenges related to inequality. UNDP's support to strategic and operational planning at provincial and district level embraced the integration of the MDGs into local development plans and the promotion of a more participative and inclusive approach to the management of the development process. The ratification of the 2030 Agenda for Sustainable Development requires that these local plans are adapted to align with and integrate the Sustainable Development Goals. Indeed,

whilst the SDGs are global, their achievement depends, to a large degree, on the ability of local and regional governments to promote integrated, inclusive and sustainable territorial development. As much as 65 percent of the SDG agenda may not be fully achieved without the involvement of local and regional government agencies. In order to get on track with for SDG achievement by 2030 the Government of Mozambique needs to treat the question of localisation of the SDGs with some urgency through raising awareness and building capacities both in local government and amongst stakeholders and partners.

## **2.1 Localisation of the SDGs**

All of the SDGs have targets directly related to the responsibilities of local and regional governments, particularly to their role in delivering basic services. Local government is the tier of government best placed to link the global goals with local communities and empower local stakeholders, aimed at making sustainable development more responsive, and therefore, relevant to local needs and aspirations. Development goals can be reached only if local actors fully participate, not only in the implementation, but also in the agenda-setting and monitoring.

Localization is the process of taking into account sub-national contexts in the achievement of the 2030 Agenda, from setting goals and targets to determining the means of implementation and using indicators to measure and monitor progress. Thus, localization relates both to:

- How local and regional governments can support the achievement of the SDGs at national level by means of action carried out from the bottom-up, and
- How the SDGs can provide a framework for local development policy

In practice, SDG localization comprises three main processes:

- 1) **Raising awareness** about the SDG and their relevance for inclusive and sustainable local development
- 2) **Planning and implementing the SDGs:** SDG localization primarily refers to the process by which local governments define, plan, and implement strategies to achieve locally-adapted goals and targets.
- 3) **Monitoring SDG progress:** In addition to local implementation, local governments may also monitor progress on a range of SDG targets. The geographic and demographic disaggregation of data for relevant outcome-based targets has been repeatedly highlighted as crucial for the successful implementation of the SDGs, to ensure that we 'leave no one behind' [2, p. 1].

## **2.2 Awareness raising, advocacy and dialogues for the localization of the SDGs**

Awareness-raising activities at both national and subnational levels are the starting point for involving, government, civil society organizations, the private sector, academia and individual citizens in the implementation and monitoring of the SDGs and mobilizing and building partnerships with different stakeholders.

As the closest level of government to the people, local and regional governments are well-placed to raise awareness about the importance of the SDGs and their relevance to local communities. Local leaders, both in government and in community-based organisations, have a mandate to lead local development that is inclusive and sustainable

The **Engagement Facility** will be used to support the following SDG awareness raising at national and local level aimed at government staff and civil society organisations.

### **2.2.1 National workshop on SDG Localisation**

The Ministry for Economy and Finance plans to hold a national workshop on localisation of the SDGs for key provincial and district government staff. The workshop will discuss examples of successful SDG localisation in other developing countries, and present guidelines for the localisation of the SDGs in Mozambique, including their integration in national and local development planning instruments and monitoring and evaluation systems.

### **2.2.2 National Development Observatory**

Development observatories at both national and provincial level have been operational in Mozambique since 2003, with support from UNDP, and facilitate dialogue between government, civil society and development partners in relation to the implementation, monitoring and evaluation of annual operational plans and budgets. The DO produces annual reports that serve as a feedback and accountability mechanism on governance. Development Observatories are normally held twice a year with secretarial support provided by the Ministry of Economy and Finance (MEF).

For the National Development Observatory meeting planned for November 2018, the MEF envisages presenting on a report on Mozambique's progress in achieving the SDGs. The event will take the opportunity to raise awareness regarding the SDGs, their relevance to development in Mozambique and the ways in which they can be integrated into national and local development strategies and monitored in a participative way. SDG localisation will be discussed in provincial development observatories in 2019

## **2.3 SDG Orientated Local Development Planning and Implementation**

The localisation of the SDGs requires that local government agencies define or adapt their development strategies, priorities, programmes, projects and budgets in a such a way that they are aligned with and contribute to the achievement of the SDGs. Moreover, adaptation of data collection and monitoring systems is crucial for measuring the extent to which the SDGs are being achieved at local level.

The **Engagement Facility** will support the following initiatives which will support the localisation of the SDGs in local planning instruments and their implementation.

### **2.3.1 Capacity building on SDG localisation (Nampula Province)**

In follow-up to the national workshop on SDG localisation, the Provincial Government of Nampula intends to contract technical assistance to support the integration of the SDGs in provincial and district development plans and budgets. This will involve raising the awareness of Provincial and District Government staff, civil society organisation and the members of consultative councils regarding the SDGs as a means to developing a participative and inclusive "local SDG agenda" that will facilitate the adaptation and alignment of development strategies and priorities to SDG achievement. South-South cooperation will facilitate knowledge transfer and lessons to be learned from developing countries in the region that are more advanced with SDG localisation.

### **2.3.2 Strengthening leadership, management and coordination of the development process**

Strong leadership is essential for the effective management and coordination of the local development process and for SDG achievement (as recognised in SDGs 16 & 17). The Provincial Government of Nampula will contract technical assistance to strengthen the capacity of staff in a leadership role at provincial and district level in the promotion of inclusive and sustainable development, SDG localisation, the interpretation and use of economic and social indicators for SDG monitoring, and local economic development.

The Centre for Training in Public Administration and Local Governance, based in Nampula, will replicate the training for government staff at Administrative Post and Locality level and the members of Consultative Councils.

### **2.3.3 Launch of the Strategic Development Plan for the Province of Gaza and realisation of an Investors Conference.**

The Strategic Development Plan for the Province of Gaza explicitly aligns with the 2030 agenda through the establishment of a series of integrated development priorities, goals and objectives for the sustainable and inclusive development of the province for the period 2018-27.

The Provincial Government will formally launch the Provincial Strategic Plan in November 2018. The implementation of the plan requires both public and private sector investment and thus the Provincial Government has invited actual and potential investors to participate in a conference in which the opportunities in the province will be presented.

The principle objectives of the launch event and the investors conference are as follows:

- Promote the Gaza Province's Development Strategy for the period 2018-2027 (PEP) and share with participants its vision, values, strategic ambition, strategic objectives and development axes;
- Disseminate the PEP, as a guiding tool, to the different stakeholders in the development of the province.
- Mobilize public and private investors for the province in the context of the operationalization of the PEP 2018 – 2017, disclose the investment opportunities that the province has considering the existing potentialities and associated projects;
- Share a portfolio of investment projects ("anchor projects") with potential investors, development partners and other stakeholders;
- Present opportunities for financing and investment in Gaza
- Identify and take advantage of opportunities for partnerships

The **Engagement Facility** will be used to support both events

## **2.4 Understanding Population Dynamics for Sustainable Development**

Demography matters for sustainable development: population dynamics have a significant impact on development challenges and need to be addressed in both the national and local development agenda. Understanding demographic trends, and the opportunities and challenges they present, is critical to achieving the SDGs.

Sustainable development cannot be achieved without assuring that all women and men, and girls and boys, enjoy the dignity and human rights to expand their capabilities, secure their reproductive health and rights, find decent work, and contribute to economic growth. Developing policies and investments to secure that future requires that governments know the size, sex, location and age structure of their present and future populations. Achieving a demographic dividend requires an understanding of the size and distribution of the population, its current and projected age structure, and the pace of growth. A growing number of analytic tools are available to facilitate such “population assessments,”

In Mozambique, the rapid population growth and high fertility rates present both opportunities and major challenges for socio-economic development. A recent study by the Ministry of Economy and Finance (MEF), in partnership with UNFPA, found that Mozambique’s demographic and emerging economic opportunities could be turned into a sizable demographic dividend that can propel the country to achieving the targets in the National Development Strategy and, in the longer term, the SDGs<sup>1</sup>. However, this is neither automatic nor guaranteed. About 46 percent of Mozambique’s population is below the age of 15. The country’s persistently high, and slowly declining, fertility is largely responsible for this situation driven by high child mortality, low use of effective contraceptives, low education attainment for women and early pregnancy and child-bearing by teenagers. Creating a demographic dividend will require not only a significant reduction in fertility rates, but simultaneously an increase in economic growth, job creation and human capital development to ensure that the large labour force is healthy, well educated, skilled, and gainfully employed. Furthermore, good governance and accountability will be essential for the strategy to succeed.

#### **2.4.1 Analysis of Demographic Trends in Nampula Province**

The Province of Nampula has been experiencing a significant demographic increase, especially in the last three decades. In 1980, the General Census of Population and Housing (RGPH) found the population of the province to be approximately 2,242,000. Data from the 2017 RGPH points to exponential growth in the population of the province to approximately 6 million inhabitants. The underlying causes of this growth are believed to rest in a variety of factors including the maintenance of high birth rates, especially in rural areas, and a relative increase in the average life expectancy. However, another important factor that must be taken into account, has to do with migratory movements, particularly from the Great Lakes region, but also from other parts of the continent and Asia.

This population increase has not been accompanied by the corresponding efforts to provide basic services, including education, health, housing, water and sanitation, energy, transportation, and employment, amongst others, that are critical to the well-being of the population and the sustainable development of the province. In order to understand the impact of population dynamics on the political, cultural, socio-economic and environmental life of the province, the Provincial Government in partnership with the Nampula Delegation of the Pedagogical University of Mozambique, and UNDP, and supported by the **Engagement Facility**, wish to undertake an analysis of the actual and potential impacts of the population increases and migration in the province in order to influence the development of local government policies and decisions in relation to poverty reduction and sustainable development in order to improve the well-being of citizens. The study will have the following objectives:

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<sup>1</sup> *Ministério de Economia e Finanças, Direcção Nacional de Estudos e Análise de Políticas, “Harnessing the Demographic Dividend, Accelerating Structural and Socioeconomic Transformation in Mozambique” March 2015*

- Determine the characteristics and dynamics of population growth in the province of Nampula;
- Identify the underlying causes and determinants of the demographic change in the province;
- Identify and assess the impact of the developmental challenges that result from the demographic dynamics in the province;
- Present policy options and strategies that can response to demographic change and promote sustainable and inclusive development.

## **2.5 Revision of the Decentralisation Law**

Electoral, local government and decentralisation reforms in Mozambique have not always been consensual and have resulted in endemic political mistrust. RENAMO has contested the outcome of every presidential and parliamentary elections since the 1994 and low-level hostilities have sporadically broken out. In February 2018 President Nyusi and opposition leader Afonso Dhaklamba reached a landmark agreement regarding the future of local governance and decentralisation reforms representing a significant step forward in the decentralisation process and the distribution of power. The agreement between the PR and the Leader of the Opposition comprised, amongst others, the following provisions:

1. The position of Provincial Governor would continue to be nominated by the President but from 2018, would be made on the recommendation of the party (or group of citizens) that gained the greatest number of votes in elections for the Provincial Assembly. In practice, this means that the head of the list of the party that wins the elections for the Provincial Assembly becomes the Provincial Governor. The Provincial Governor will be locally accountable to the Provincial Assembly, not the PR under previous arrangements.
2. A similar situation is introduced for Municipal Government. The position of a directly elected Municipal Mayor is withdrawn and from 2018 the Mayor is the head of the list of the Party that gains most votes in election of the Municipal Assembly.
3. From 2024, District Assemblies will be elected, and the District Administrator will be the head of the list that gains most votes.

These changes were agreed in Parliament and enshrined in an amendment to the Constitution approved by Law 1/2018 (12 de June) which has profound implications for the organization and functioning of local government and requires a number of additional legislative, procedural and administrative changes to be introduced.

In this context, the Ministry of State Administration and Public Service has established a team to draft proposals for revised legislation in relation to: (i) the Law on the Organization and Functioning of Decentralized Governance Bodies (ii) the Law of Election of the members of the Provincial Assembly and District Assembly, the Provincial Governor and the District Administrator, (iii) the Law on the composition, organization and functioning of the representation of the State at Provincial and District level, (iv) the Law on the implementation of the Provincial and District Assemblies and (iv) the State Administrative Law on Decentralized Entities.

There is some urgency to agree and introduce these reforms before the election of Provincial Assemblies that will take place in November 2019.

As part of this process the MAEPF want to learn from best practice in other countries in the region and is proposing an exchange visit with the Government of Cabo Verde to better understand the implementation of the country's decentralization policy and strategy and the lessons to be learned. Exchanges of experience during the visit will provide conditions for reflection and discussion taking into account the model of decentralization adopted by Mozambique. At the end of the visit, the MAEPF team will prepare a report on the ongoing process in Cabo Verde, the best practices established and the implications for the reform of the decentralisation process and its implementation in Mozambique.

## 2.6 Repositioning UNDP's support for Decentralisation, Local Governance and Local Development 2019-2024

UNDP will contract a technical expert to elaborate a Concept Note for the reposition of UNDP's support to decentralisation, local governance and local development. Once agreed internally the Concept Note will be discussed with Government and development partners as a mechanism for resource mobilisation and will form the basis for the elaboration of a Project Document for the next phase of UNDP's support for decentralisation, local governance and local development which will embrace SDG localisation

## 4.0 Summary of Initiatives to be Supported by the Engagement Facility & Costs

Theme & Proposed Activities	Resp.	Budget Description (ATLAS)	Cost Estimate (USD)
<b>1: Raising Awareness on the SDGs</b>			
1.1 National workshop on SDG Localisation	DNPO/MEF	71300 71600 72100 73300	36,250
1.3 Development Observatory (Report on SDG progress)	DNPO/MEF	72100 72400 72500 73300 74200	3,000
<b>2: SDG Orientated Local Development Planning &amp; Implementation</b>			
1.2 Capacity building on SDG localisation (Nampula Province)	DPPF Nampula	71300 72100	37,000
2.2 Strengthening leadership, management and coordination of the development process	DPPF Nampula	71300 72100	23,000
2.3 Launch of the Strategic Development Plan for the Province of Gaza	DPPF Gaza	71300	120,000
2.4 Investor's Conference for the Province of Gaza		72100 72400 72500 73300 74200	
<b>3: Understanding Population Dynamics for Sustainable Development</b>			
3.1 Analysis of demographic trends and policy recommendations (Nampula Province)	DPPF Nampula	71300 72100	50,000



<b>4: Decentralisation Reforms</b>			
4.1 Revise and update the Decentralisation Law	MAEPF	72100 71600	38,400
4.2 Exchange Visit Cabo Verde	MAEPF	71600	15,700
<b>5.0 Support for Decentralisation, Local Governance and Local Development</b>			
5.1 Elaboration of a concept Note for repositioning UNDP's support for Decentralisation, Local Governance and Local Development	UNDP	71600	9,600
<b>Sub Total</b>			<b>332,950</b>
Contingencies (5%)			15,600
<b>TOTAL</b>			<b>348,550</b>

#### 4.0 Proposed Programming of Activities

Table 4.1: Programming of Activities (Indicative)

Activities	Nov. 18	Dec. 18
<b>1: Raising Awareness on the SDGs</b>		
1.1 National workshop on SDG Localisation		
1.2 Development Observatory		
<b>2: SDG Orientated Local Development Planning &amp; Implementation</b>		
2.1 Capacity building on SDG localisation (Nampula Province)		
2.2 Strengthening leadership, management and coordination of the development process		
2.3 Launch of the Strategic Development Plan for the Province of Gaza		
2.4 Investor's Conference for the Province of Gaza		
<b>3: Understanding Population Dynamics for Sustainable Development</b>		
3.1 Analysis of demographic trends and policy recommendations		
<b>4: Decentralisation Reforms</b>		
4.1 Revise and update the Decentralisation Law		
4.2 Exchange visit to Cabo Verde		
<b>5: Technical Support for Decentralisation, Local Governance and Local Development</b>		
5.1 Elaboration of a Concept Note for repositioning UNDP's support for Decentralisation, Local Governance and Local Development		

#### 5.0 Expected Results

Theme & Proposed Activities	Expected Outputs	Expected Outcomes
1: Raising Awareness on the SDGs		

1.1 National workshop on SDG Localisation	<ul style="list-style-type: none"> <li>1) Key government staff at provincial and district level understand the relevance of the SDGs for local development</li> <li>2) Understanding of the methodology for the alignment of local development strategies with SDGs and their targets</li> <li>3) Greater understanding of SDG monitoring and the collection and analysis of data and information at local level</li> </ul>	<ul style="list-style-type: none"> <li>1) Development of inclusive SDG Agendas elaborated</li> <li>2) Local development plans are SDG aligned</li> <li>3) SDG monitoring at provincial and district level</li> <li>4) National Voluntary review of SDG achievement</li> <li>5) Improved performance in achieving locally defined SDG targets</li> </ul>
1.2 Development Observatory (Report on SDG progress)	<ul style="list-style-type: none"> <li>1) Improved awareness of the SDGs and understanding of their relevance for Mozambique</li> <li>2) Understanding of Mozambique's progress in SDG achievement</li> <li>3) Greater national ownership of the SDGs and commitment to their achievement</li> </ul>	<ul style="list-style-type: none"> <li>1) Improved monitoring of SDGs</li> <li>2) SDGs fully integrated into the national development agenda</li> </ul>
<b>2: SDG Orientated Local Development Planning &amp; Implementation</b>		
1.2 Capacity building on SDG localisation (Nampula Province)	<ul style="list-style-type: none"> <li>1) Technical Assistance to support the localisation and integration of SDGs contracted.</li> </ul>	<ul style="list-style-type: none"> <li>1) Improved awareness of the SDGs and understanding of their relevance</li> <li>2) Inclusive SDG Agendas elaborated</li> <li>3) Local development plans are aligned with the SDGs</li> <li>4) Monitoring of locally relevant SDG indicators</li> <li>5) Improved performance in achieving locally defined SDG targets</li> </ul>
2.2 Strengthening leadership, management and coordination of the development process	<ul style="list-style-type: none"> <li>1) Government and community leaders equipped with knowledge on leadership and promotion of inclusive &amp; sustainable development, SDG localisation, use of economic and social indicators and LED.</li> <li>2) Centre for Training in Public Administration and Local Governance has capacity to replicate leadership training at Administrative Post and Locality level and for members of consultative councils.</li> <li>3) Provincial Technical Team restructured and integrates technicians from Civil Society Organizations and other relevant</li> </ul>	<ul style="list-style-type: none"> <li>1) Greater plan implementation and budget execution</li> <li>2) Improvements in the quality and coverage of basic services particularly for the poorest and most vulnerable groups</li> <li>3) Improved production and productivity</li> <li>4) Reduction in hunger, chronic malnutrition and reduction of dependence on food imports.</li> </ul>

	institutions and with capacity to assist districts in reviewing strategic plans in the context of the SDGS and the new decentralization legislation.	
2.3 Launch of the Strategic Development Plan for the Province of Gaza	1) Greater awareness and ownership of the PEP's development vision and objectives	1) District and municipal development plan aligned with the PEP
2.4 Investor's Conference for the Province of Gaza	2) Local, national and international investors aware of the investment opportunities in Gaza	2) Increased investment in Gaza (public & private sector) 3) Improved social and economic development in indicators for Gaza
<b>3: Understanding Population Dynamics for Sustainable Development</b>		
3.1 Analysis of demographic trends and policy recommendations (Nampula Province)	1) Causes and effects of population dynamic identified and disseminated 2) Development challenges resulting from demographic trends identified and disseminated 3) Policy recommendations for addressing demographic challenges for social, economic and infrastructure development identified and disseminated 4) Key decision makers at provincial district level made aware of an understand the above	1) Population-oriented governance and budgeting 2) Demographic analyses integrated into strategic and operational plans 3) Improved and better targeted basic service delivery targeting poor and vulnerable populations 4) Improved access to reproductive health services and promotion of rights 5) Sustained reduction of fertility rates 6) More efficient occupation and use of land
<b>4: Decentralisation Reforms</b>		
4.1 Revise and update the Decentralisation Law	1) Decentralisation Law and other legislation, regulations and guidelines updated	1) Consensus around local government and decentralisation reforms 2) Peace and stability 3) Greater local accountability
4.2 Exchange Visit to Cabo Verde	1) Production of proposals for laws for the election of members of the Provincial & District Assemblies and Organization and Functioning of the deliberative and executive organs of decentralized Governance; 2) Better understanding of the mechanisms for coordination between the representation of the State in the Province and the District and local Government	1) Improved between the Decentralized Governing Bodies and the Central Bodies
<b>5.0 Support for Decentralisation, Local Governance and Local Development</b>		

5.1 Elaboration of a concept Note for repositioning UNDP's support for Decentralisation, Local Governance and Local Development	1) Concept Note elaborated and approved (internally)	1) Project Document for UNDP's repositioned support for Decentralisation, Local Governance and Local Development agreed with Government and approved at LPA 2) Conceptual framework for SDG localisation agreed
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## 6.0 Strategic Alignment

The **Government's Quinquennial Programme, 2015-19** (PQG) sets out its priorities and development objectives for the period. The PQG takes into account both national strategic planning instruments and regional and global development objectives, including the Sustainable Development Goals. The central objective of the programme is:

*"To improve the living conditions of the Mozambican people by increasing employment, production and competitiveness, creating wealth and generating balanced and inclusive development, in an environment of peace, security, harmony, solidarity, justice and cohesion among Mozambicans"*

The Programme establishes five key development priorities:

1. Consolidating national unity, peace and sovereignty.
2. Developing human and social capital.
3. Promoting employment, productivity and competitiveness.
4. Developing economic and social infrastructure.
5. Ensuring sustainable and transparent management of natural resources and the environment.

The initiatives supported by the Engagement Facility will contribute to the following Strategic Objectives of the PQG to:

- Further reform and strengthen the capacity of local government and Provincial Assemblies

The Engagement facility will contribute to achieving the following **UNDAF outcome**:

- **OUTCOME 8:** All people benefit from democratic and transparent governance institutions and systems that guarantee peace consolidation, human rights and equitable service delivery
- **OUTCOME 2:** Poor people benefit equitably from sustainable economic transformation.

**UNDP Mozambique's Country Programme, 2017-20**, is explicitly aligned with, and structured around, the 2030 Agenda. The plan adopts an issue-based approach simultaneously promoting more inclusive **Prosperity**, more equitable and sustainable management natural resources (**Planet**), underpinned by governance systems that guarantee **Peace**, stability, social cohesion. The programme focuses on reducing overall poverty and inequality through supporting economic diversification, hence specifically contributing to the SDGs 1, 10 and 16. The plan aims to make growth more sustainable, less vulnerable to external shocks and reduce potential conflict by creating greater and more inclusive employment and livelihood opportunities but recognises that this is only possible in an environment of peace, stability and consensus. The plan seeks to promote more transparent democratic processes, a culture of dialogue and democratic

discourse, greater accountability all levels, more efficient and equitable access to basic services, and improved access to justice and respect for human rights which will reduce conflict and promote greater social cohesion.

In this context, the Engagement Facility will specifically contribute to the achievement of two **CPD Outputs**:

- **OUTPUT 4.3:** Frameworks and processes for effective and transparent engagement of civil society in national development enhanced; and
- **OUTPUT 4.4:** Decentralization process and local governance systems enhanced to improve service delivery

Through support to localisation of the SDGs, the Engagement Facility will respond to all three development challenges identified in **UNDP's 2018-2021 Strategic Plan**:

- Eradicating poverty in all its forms;
- Accelerating structural transformations for sustainable development;
- Building resilience to shocks and crises.

Localisation of the SDGs will ensure that local development focus on **poverty eradication**, promotes inclusive economic development and improve basic services and access to them and **build resistance** to climate change and natural disasters In terms of promoting **transformation for sustainable development**. The activities supported through the Engagement Facility will strengthen long-term planning for inclusive and sustainable development at local level and contribute to strengthening capacities for whole-of-government and whole-of-society approaches to managing interventions to enhance inclusiveness.

Finally, the Engagement facility will specifically contribute to Mozambique's efforts to successfully address the challenges of the **2030 Agenda** and achieving the **Sustainable Development Goals**. The project will specifically contribute to SDG 16: Promote peaceful, and inclusive societies for sustainable development but will also contribute to the following SDGs:



## 7.0 Resource requirements and Implementation Arrangements

The **Engagement Facility** will make a total **\$348,550** available for the interventions described above and will be executed using National Implementation Modality in which Government assumes full responsibility for the use of resources and the delivery of the outputs defined above. NIM ensures alignment with government operational procedures and protocols and ownership of the development initiatives and their results. The advantages of NIM in terms of long-term sustainability mean that it is the default implementation modality for the Mozambique Country Office.

The following Government institutions will be implementing partners for the Engagement facility:

- The Provincial Government of Nampula
- The Provincial Government of Gaza
- The Ministry of State Administration and Public Service, National Directorate for Planning and Cooperation
- Ministry for Economy and Finance, National Directorate of Planning & Budgeting

UNDP has enjoyed a long-standing partnership with these institutions for over 20 years in the context of the Decentralised Planning and Finance Programme which was executed using the NIM modality. They have benefitted from regular training on financial management and UNDP operational procedures and been subject to annual HACT reviews and independent audits of project implementation and financial execution.

The funds made available through the **Engagement Facility** will be distributed between the implementing partners as follows:

**Table 6.1: Distribution of Funds**

Implementing partner	Maximum funds available (USD)	%
The Provincial Government of Nampula	110,000	32%
The Provincial Government of Gaza	120,000	34%
The Ministry of State Administration and Public Service (DN )	54,100	16%
Ministry for Economy and Finance (DNPO)	39,250	11%
UNDP	9,600	3%
Contingencies	15,600	4%
<b>TOTAL</b>	<b>348,550</b>	<b>100%</b>

The **Engagement Facility** will be used for the following expenditures:

**Table 6.2: Distribution of Funds by Expenditure Category (Indicative)**

Expenditure Category	Estimated Expenditure	%
71300 Technical Assistance/Short Term Specialists	95,000	29%
71600 Travel costs	75,000	23%
72100 Contracted services (companies)	105,000	32%
72500 Stationary supplies	6,790	2%
73300 Rental & maintenance of IT equipment	12,500	3%
74200 Printing & translation	18,000	6%
Contingencies	15,600	5%
<b>TOTAL</b>	<b>327,890 (348,550)</b>	<b>100%</b>

## **8.0 Monitoring and Evaluation**

Implementing Partners will be responsible for reporting regularly, fairly and accurately on progress on the implementation of the initiatives financed through the **Engagement Facility** against agreed implementation plans and targets. Each implementing partner will produce a final report on the implementation of the activities financed with EF funds, the results obtained, how the results will be used, and accounts of expenditure. The Implementing Partners will be responsible for providing all information and data necessary for comprehensive and evidence-based reporting, including results and financial data, as necessary and appropriate. The Implementing Partners will maintain documentation and evidence of the proper and prudent use of resources in accordance with UNDP regulations and procedures. Documentation will be made available on request to project monitors and designated auditors.

The UNDP CO will accompany the implementation of the activities implemented with EF funds and undertake follow-up, supervision, monitoring and reporting by assigning a programme specialist. UNDP will provide a final consolidated report on the use of the EF funds, the results obtained, and accounts of expenditure.

## **Annex**

### **ToR for Short term experts (Vicente & Ivan)**

Vicente to draft, JB to translate & Edit