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**PROJECT PERFORMANCE ASSESSMENT REPORT**

**THE REPUBLIC OF MOZAMBIQUE  
PUBLIC SECTOR REFORM PROJECT  
(IDA-0240-MOZ)**

**June 27, 2014**

**IEG Public Sector Evaluation**  
*Independent Evaluation Group*



## Currency Equivalents (annual averages)

*Currency Unit = Meticais (MZM)*

2003	US\$1.00	MZM 23.27
2004	US\$1.00	MZM 22.14
2005	US\$1.00	MZM 22.85
2006	US\$1.00	MZM 25.76 (January to July)

*New Currency Unit = Metical (MZN)*

2006	US\$1.00	MZM 25.89 (July to December)
2007	US\$1.00	MZM 25.79
2008	US\$1.00	MZN 24.19
2009	US\$1.00	MZN 27.58
2010	US\$1.00	MZN 34.24

## Abbreviations and Acronyms

ANFP	Public Services Commission
APL	Adjustable Program Loan
CIRESP	Commission for the Reform of the Public Service
e-SISTAFE	Integrated Electronic Financial Management System
GDP	Gross Domestic Product
ICR	Implementation Completion Report
IDA	International Development Association
IEG	Independent Evaluation Group
IEGPS	IEG Public Sector Evaluation
M&E	Monitoring and Evaluation
MAE	Ministry of State Administration
PAD	Project Appraisal Document
PARPA	Action Plan for the Reduction of Absolute Poverty
PIF	Performance Improvement Facility
PPAR	Project Performance Assessment Report
PRSC	Poverty Reduction Strategy Credit
PSRP	Public Sector Reform Project
TTL	Task Team Leader
UTRESP	Technical Unit for the Reform of the Public Sector

## Fiscal Year

Government: January 1 – December 31

Director-General, Independent Evaluation	: Ms. Caroline Heider
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# Contents

Principal Ratings.....	iv
Key Staff Responsible.....	iv
Preface.....	vii
Summary.....	ix
1. Background and Context.....	1
2. Objectives, Design, and their Relevance .....	2
Objectives .....	2
Substantially Relevant .....	2
Design .....	3
Modestly Relevant .....	3
3. Implementation .....	7
4. Achievement of the Objectives.....	7
Original Objective.....	8
Restructured Objective.....	9
5. Efficiency.....	14
Modest.....	14
6. Ratings .....	14
Outcome.....	14
Risk to Development Outcome.....	15
Bank Performance.....	16
Borrower Performance.....	17
Monitoring and Evaluation .....	18
7. Lessons.....	18
References.....	20
Annex A. Basic Data Sheet.....	23
Annex B1. Achievement of Outcome, Intermediate and Performance Indicators after Restructuring.....	26
Annex B2. Provincial Level Service Delivery Improvements Achieved .....	30
Annex C. List of Persons Met.....	39
Annex D. Government Comments.....	42

<p>This report was prepared by Clay Wescott, who assessed the project in July 2012. The report was peer reviewed by Nils Fostvedt and panel reviewed by Jiro Tominaga. The Task Manager was Sara Gonzalez Flavell. Yezena Yimer provided administrative support.</p>
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**Boxes**

Box 1. Innovations supported by the Bank through PSRP ..... 5

## Principal Ratings

### The Republic of Mozambique: Public Sector Reform Project – P072080

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Moderately Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
Risk to Development Outcome	High	High	Significant
Bank Performance	Moderately Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
Borrower Performance	Moderately Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory

\* The Implementation Completion and Results (ICR) report is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEG product that seeks to independently verify the findings of the ICR.

## Key Staff Responsible

<i>Project</i>	<i>Task Manager/Leader</i>	<i>Division Chief/ Sector Director</i>	<i>Country Director</i>
Appraisal	Harry Garnett	Brian Levy	Darius Mans
Completion	Lisa Bhansali	Anand Rajaram	Oliver Godron

**IEG Mission: Improving World Bank Group development results through excellence in independent evaluation.**

**About this Report**

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses 20-25 percent of the Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEG staff examine project files and other documents, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

Each PPAR is subject to internal IEG peer review, Panel review, and management approval. Once cleared internally, the PPAR is commented on by the responsible Bank department. The PPAR is also sent to the borrower for review. IEG incorporates both Bank and borrower comments as appropriate, and the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

**About the IEG Rating System for Public Sector Evaluations**

IEG's use of multiple evaluation methods offers both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (additional information is available on the IEG website: <http://ieg.worldbankgroup.org>).

**Outcome:** The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings for Outcome:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

**Risk to Development Outcome:** The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for Risk to Development Outcome:* High, Significant, Moderate, Negligible to Low, Not Evaluable.

**Bank Performance:** The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

**Borrower Performance:** The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for Borrower Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.





## Preface

This Project Performance Assessment Report (PPAR) covers an operation implemented over the period FY03-FY10 at a total cost in Bank financing of US\$24.72 million. The project was approved March 18, 2003, and closed December 31, 2009.

The report presents findings based on review of the Program Documents, the Implementation Completion and Results Reports (ICR), IEG's Implementation Completion and Results Report Review, aide-memoires and supervision reports, and other relevant material. Clay Wescott visited Mozambique for IEG July 8 – 28, 2012 to interview government officials, the staff of non-governmental organizations, project staff, donor representatives, and other stakeholders, Bank staff members, donor representatives, and other informants were interviewed at headquarters and by videoconference. The mission appreciated the cooperation of all of these informants. This work was carried out jointly with a PPAR of another Mozambique operation, the Decentralized Planning and Finance Project.

This PPAR has been carried out in parallel with five other PPARs in Tanzania and Kenya. In addition to this Mozambique report, two others for Uganda and Tanzania are evaluating support to public sector reform. The purpose of these PPARs is to better understand which features were present in these operations, and how they contributed to the results achieved. Features examined included, inter alia, sequencing of cross-cutting vs. sector specific reforms, design of implementation modalities for performance improvement, strategic coordination and cabinet level processes, readiness conditions and context, instruments and engagement, and political economy factors. There is also a concurrent PPAR for another Mozambique operation, the Decentralized Planning and Finance Project.

Following standard IEG procedures, the draft report was sent to the Borrower for comment. Comments received from the Borrower are included as Annex D.



## Summary

The objective of the Public Sector Reform Project (PSRP) was “...to restructure the public service for decentralized service delivery, professionalize the public service, and improve governance.” The objective was modified in a 2006 restructuring: “...to improve access to, and quality of, selected priority public services, and to improve legal and judicial services in selected provinces through supporting the implementation of the Public Sector Reform Program.” At the time of appraisal, there was a high level of commitment for public sector reform, evidenced by an ambitious Government strategy from which the PSRP objectives were derived. The substantially relevant objectives were also aligned with the Bank’s Country Strategy and parallel programs of other donors. The design provided a variety of tools to spur reforms, including an innovative quick wins program, supported through a Performance Improvement Facility (PIF) targeting ministries that had already demonstrated a willingness to reform, and validated through service delivery surveys as successful in improving service delivery.

However, the design proved to be overambitious in relation to the low capacity environment, particularly when high level commitment for the reforms started to flag. While the project was restructured and its time span extended, the addition of new components, expansion of the monitoring framework, and addition of new implementing partners added to the project’s complexity, which was not appropriate given the severe capacity constraints and the reduced political commitment.

This Review rates the outcome as moderately unsatisfactory. The operation prior to restructuring made substantial progress on the sub-objective of restructuring the public sector, with targets of re-engineering quick wins and ministerial restructuring exceeded, and some progress on a new structure and policy framework for the Council of Ministers. Modest progress was made on the sub-objective of professionalizing the public service and improving governance. Following restructuring, there was substantial progress on the sub-objective of improving access to and quality of selected priority public services, with achievement of most outcome, intermediate and performance indicators by the time of the PPAR field mission. There was negligible progress on the sub-objective of improving legal and judicial services.

The risk to development outcome is rated significant. The main risk to the sustainability of the outcomes achieved is the uneven political commitment from the leadership. While development partners continue to support reform through pooled funding, and while the Bank's proposed Public Financial Management for Results Program is expected to provide complementary support, the reform agenda is at risk without strong political backing from the leadership.

Bank performance is rated moderately unsatisfactory. There was extensive preparation with analytical work, consultations with key stakeholders, and alignment with Bank and Government strategies. However, the Monitoring and Evaluation (M&E) framework had serious weaknesses. The large scope, combined with the initial three-year timeline, was overambitious, even taking into account that this Adjustable Program Loan (APL) was planned as the first of two operations. The scope was then expanded during restructuring into additional areas. This over-ambition, first of the initial design, and then with the

restructuring, strained the limited capacity of the key implementing agency– the Technical Unit for the Reform of the Public Sector (UTRESP)– and other participating ministries. This, in turn, contributed to low disbursement rates in the early years, and eventual results below expectations. The challenges of addressing such an ambitious scope were further heightened by the lack of political guidance from the national leadership on prioritization, a problem that could have been foreseen as a risk with mitigating measures provided for. Frequent changes of Task Team Leader (TTL) led in some cases to weak follow-up of recommendations, and misunderstandings between key stakeholders.

Borrower performance is also rated moderately unsatisfactory. The commitment of the leadership to the reform agenda was initially high. But as implementation got underway, expected support from the Government was not forthcoming, and UTRESP's role was diminished. There were capacity limitations at UTRESP, and in the other implementing agencies added after restructuring. There was insufficient high quality advice provided at the policy level, and also procurement problems and complaints at the operational level.

M&E is rated modest. Design and implementation of M&E was adequate for the original project. After the restructuring, one of the three outcome indicators couldn't be adequately monitored because it lacked a baseline, and four intermediate outcome indicators either weren't monitored or couldn't be properly monitored because of lack of a baseline. In addition to these design shortcomings, M&E implementation and utilization was weak due to inadequate capacity in UTRESP and participating ministries, and the wavering commitment of senior political leadership to public sector reform.

**The lessons from this operation are:**

- Public Sector Reform operations need to consider sustainability of commitment from the country's leadership. Political commitment is multi-dimensional and evidenced by several elements: clear enabling policies, time-bound implementation strategies, adequate resourcing, inclusive citizen participation, etc. When this wanes, as in Mozambique, this needs to be recognized and appropriate action taken to put the program back on track or consider suspension.
- The reform program's ambition must fit the country's capacity and technical assistance needs. In the case of Mozambique part of the program was well designed to focus on quick wins that would visibly generate public support, help sustain commitment, and can help motivate service providers. However, the legal reform element was overly complex and lacked adequate technical assistance to keep it on track. A capacity assessment with associated technical assistance planning may have helped to keep this reform element on track.
- In contexts where there is joint donor support, the Bank should aim to also provide its support through this fund. Using the same processes for accessing funding from the Bank as for other funding reduces transaction costs for the Government, and helps ensure that the Bank's resources are disbursed without delay. Electing to opt out of joining a common fund can create an additional burden for the implementing unit and stretch already thin capacity and resources

further, in addition to creating the confusion those running disparate systems invariably causes.

- Both factors of leadership commitment and capacity have implications for M&E. In situations of low commitment and capacity, the Bank needs to spend extra effort to select and link measurable indicators to objectives, and obtain baseline data at the outset. M&E needs to be owned by project managers to support real-time adjustment to projects through the use of feedback mechanisms, and to ensure that results are broadly understood, and used to widen support for reform.

Emmanuel Jimenez  
Acting Director-General  
Evaluation



# 1. Background and Context

1.1 Following the 1992 Peace Accord and the first multiparty elections in 1994, Mozambique started achieving an average 8 percent real GDP growth per annum, a rate that has been more or less maintained to the present day. Export earnings have been the main drivers of growth, particularly from bauxite smelting and titanium ore extraction. There has also been growth in agriculture and services, for agriculture mainly from expansion of the area under cultivation, and recovery from the devastating floods of 2000, though there have also been productivity gains (IMF, 2005, 2009, 2011). The reduction in poverty from 70 percent in 1996/67 to 63 percent in 2002/03 came mainly from favorable agricultural production and prices, on top of better living conditions from the return of peace and stability. However, important weaknesses remained at the time, including still high numbers of people in poverty, high human immune deficiency virus rates among key groups such as 15-24 year old females. This disconnect between high GDP growth rates and low living standards resulted from many factors, including: i) low levels of education of working age household members, particularly women; (ii) high dependency rates in households; (iii) low productivity in the family agriculture sector; (iv) lack of employment opportunities within and outside of the agricultural sector; and (v) poor infrastructure, especially in rural areas. The poor have also been vulnerable to natural disasters (floods) and economic shocks (agricultural price declines) (Republic of Mozambique, 2001: 2). Addressing these issues would require substantial improvements in education, agricultural production, infrastructure and further structural reforms, including modernizing the public service (IMF, 2005, 2009, 2011).

1.2 Although Government performance had improved considerably since the end of the civil war, at the time of this project there were still deep challenges including low quality of civil servants (poorly educated and poorly paid), weak accountability (no accounting profession in the country, weak auditing, weak oversight by the National Assembly and citizens) and cumbersome regulations and service delivery (centralized, complex and confusing). These challenges constrained improvements in provision of public education, health, agricultural and infrastructure services, and thus acted as barriers to improving living standards. To help address these challenges, the 1998 elections allowed for the first time elected municipal governments as part of a reform to provide representative government and to promote the decentralization of political authority. These covered 23 cities and 10 of 128 district towns judged to have sufficient capacity to execute their new responsibilities, with the goal of improving accountability and making services more efficient and accessible to citizens.

1.3 Following the 1999 elections, President Joaquim Chissano set up the Inter-ministerial Commission for the Reform of the Public Service (CIRESP), chaired by the Prime Minister. The Council of Ministers established a Technical Unit for the Reform of the Public Service (UTRESP) as secretariat to CIRESP. The CIRESP adopted in 2001 a Global Strategy for Public Sector Reform (Estrategia da Reforma do Sector Publico 2001-2011), building on the commitment to “good governance, legality and justice” in its Action Plan for the Reduction of Absolute Poverty (PARPA) 2001-05. The Global Strategy approved by the Council of Ministers and the National Assembly was launched on June 25, 2001, National Day, in a speech to the nation by President Chissano.

1.4 The government's commitment to institutional improvements had been supported by the Bank at the national (Public Sector and Legal Institutions Development Project), municipal (Local Government Reform and Engineering Project, Municipal Development Project) and sectoral (Agricultural sector Public Expenditure Program, Education Sector Strategic Project, Real Sector Recovery Program) levels, and a further project was approved in 2003 to support the provincial and district levels (World Bank, 2014). Other development partners were providing, or had recently provided related support to the judicial sector, alternative dispute resolution, the national assembly, tax and customs administration, public financial management, decentralized planning, and administrative tribunal. These partners included the Danish International Development Agency, United Kingdom Department for International Development, European Commission, Frederick Ebert Foundation, International Monetary Fund, Irish Aid, Netherlands Embassy, Norwegian Agency for Development Cooperation, Norwegian Embassy, Portuguese Cooperation, Swedish International Development Agency, Swiss Development Cooperation, United Nations Development Program and the United States Agency for International Development

## **2. Objectives, Design, and their Relevance**

### **Objectives**

#### **SUBSTANTIALLY RELEVANT**

2.1 The original objective was: "To support the Government to restructure the public service for decentralized service delivery, professionalize the public service, and improve governance." (World Bank, 2003a: 2; 2003b: 14). The objective was modified as part of a Board-approved restructuring December 20, 2006: "The project aims to improve access to and quality of selected priority public services, and to improve legal and judicial services in selected provinces through supporting the implementation of the Public Sector Reform Program" (World Bank, 2006a: 4; 2006b: 13). The restructuring was appropriate to address slow implementation progress by slightly modifying the objective and key operational processes to address issues highlighted in the 2005 independent review, putting less emphasis on the longer term goals of professionalizing and improving governance outcomes. The closing date was also extended by three and one half years. The geographic scope of the operation remained national.

2.2 The relevance of the objectives both at appraisal and at restructuring is substantial, aligned with the strong Government commitment to improved governance as expressed in the Action Plan for the Reduction of Absolute Poverty (PARPA) or Poverty Reduction Strategy Paper, and the 2001 Global Strategy for Public Sector Reform. They were also aligned with the Bank's Country Assistance Strategy (2003 - 6) at appraisal, in particular its pillars on building capacity and accountability, and on expanding service delivery. They continue to be aligned with the Bank's Country Partnership Strategy's (2012-15) pillar on governance and public sector capacity, and will be supported by a new operation: Public Financial Management for Results Program, scheduled for approval June 2014. A possible shortcoming is that while the Government was formally



committed to carrying out reforms supported by the operation, some of this work may have slowed down due to informal practices, as discussed below in Paragraphs 4.17-4.22.

## Design

### MODESTLY RELEVANT

2.3 The largest items financed by the grant were training (50 percent at appraisal, 26 percent after restructuring), consultants' services (27 percent at appraisal, 45 percent after restructuring), access to justice grants (7 percent at appraisal, 9 percent after restructuring), and goods, equipment and vehicles (10 percent at appraisal, 9 percent after restructuring). The balance of the grant financed civil works, grants for performance improvement plans, operating costs, and refinancing of project preparation advance. Components at appraisal were the following:

- **Component 1.** Restructuring. (Cost at appraisal: US\$9.6 million) This component was to begin a process of restructuring central government, including implementation of a quick wins program and a Performance Improvement Facility (PIF), so that service delivery would improve through decentralization and rationalization of procedures.
- **Component 2.** Professionalization. (Cost at appraisal: US\$1.1 million) The objective was to motivate public servants to become more responsive to the needs of citizens and businesses.
- **Component 3.** Governance. (Cost at appraisal: US\$11.7 million) The objective was to improve allocation, efficient use and accountability of public resources.
- **Component 4.** Program Coordination. (Cost at appraisal: US\$3.2 million) The objective was to enhance UTRESP and CIRES (the Inter-ministerial Commission for the Reform of the Public Sector) capacities to coordinate and monitor the reforms and to communicate the Public Sector Reform Program to key stakeholders.

### Components at restructuring were:

- **Component 1.** Restructuring. (Cost at restructuring: US\$9.3 million, actual: US\$9.42 million). This component was to restructure selected public sector organizations (not all ministries as before) and to reform selected service delivery processes so as to increase organizational effectiveness and efficiency. It also aimed to establish the capacity of local state bodies to implement the mandates assigned to them under the decentralization process. Sub-components included: restructuring of selected ministries, provinces, and districts, implementation of a quick wins program and a Performance Improvement Facility (PIF), and local government development through capacity building at the Ministry of State Administration, strengthening local state bodies, and an improved communication system.
- **Component 2.** Professionalization. (Cost at restructuring: US\$2 million, actual: US\$2.7 million). The objective was to improve efficiency of human resource management and to strengthen management capacity in selected public institutions. Intended results focused on the percentage of civil servants

integrated into a uniform human resource database, the percentage of public servants benefiting from a new salary, and on the building of capacity in key priority areas. This put more emphasis than in the original project on process reform rather than the ultimate outcome of greater responsiveness to citizens and businesses. Sub-components included: a gap analysis and training needs assessment, strengthening of national training institutes, salary reform, and modernization of the human resource management system--initially at the central level.

- **Component 3.** Governance (Cost at restructuring: US\$3 million, actual: US\$2.4 million). The objective was to improve public sector planning and financial management efficiency; to strengthen public sector oversight and accountability processes. Intended results included the increase in the number of institutions that execute their annual budget through the integrated financial management system (e-SISTAFE), the increase in the percentage of procurement processes that are in line with the new regulations, and the increase in the number of certified accountants in the public sector. Sub-components included support for: e-SISTAFE roll-out, implementation of procurement reforms, establishment of an accountants' association, provincial assemblies, and an anti-corruption action plan.
- **Component 4.** Legal Capacity Building (Cost at restructuring: US\$5.4 million, actual: US\$2.6 million). The objective of this new component was to improve access to and quality of legal and judicial services within the framework laid out in PARPA-I, and largely consistent with PARPA-II (these are Mozambique's Poverty Reduction Support Programs). This component was designed to improve the performance of the justice sector and provide expanded access to its services to the population in selected areas (province and city of Maputo, provinces of Sofala, Nampula, Niassa, and Tete). Sub-components included support for: strengthening sector performance, access to justice and information, and for training delivery and monitoring and evaluation.
- **Component 5.** Support for the 2007 population census (Cost at restructuring: US\$4.6 million, actual: US\$4.6 million). The objective of this new component was to improve quality and availability of statistical data vital for public and private sector needs.
- **Component 6.** Program coordination (Cost at restructuring: US\$1.6 million, actual: US\$3.0 million). Objective: To ensure that the Public Sector Reform Program is fully understood, owned and monitored by its major stakeholders, and that its implementation is effectively managed.

<p><b>Box 1. Innovations supported by the Bank through PSRP</b></p> <p>The Performance Improvement Facility supported 26 competitively selected projects supporting reform implementation and skills enhancement. It provided an incentive to innovate by providing financing for improvement plans faster than going through the normal budget process. It supported improving data collection and statistics, financial management, managing citizen claims and suggestions, document management, institutional assessments, and strategic planning through technical assistance and training.</p> <p>The quick wins program supported more than 12 reengineering, service quality improvements that were implemented rapidly, and were recognized by clients (through service delivery surveys) as improving the quality of services</p>
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2.4 There were two phases of reform envisaged with the first phase of this adjustable program operation (the PSRP) putting in place the building blocks for reform in key ministries, and a second phase rolling out the reforms more widely across the public sector, with the pace determined by achievements under the first phase.

2.5 The PSRP provided a variety of tools to spur reforms, including an innovative quick wins program, supported through a Performance Improvement Facility targeting ministries that demonstrated a willingness to reform, and validated through service delivery surveys as successful in improving service delivery, see Box 1. The original design also provided for support to decentralize service delivery functions, establishment of an accounting profession, reform of procurement processes, improved salaries for technical and professional staff, and a new process through which policies are formulated and submitted to the Council of Ministers linked to resource availability and widespread consultation. This was an appropriate grouping of activities linked to achieving the objectives, assuming the implementation capacity to carry them out. Five outcome indicators were identified, and explicit monitoring against baselines commenced with the 5th Implementation Status Report of May, 2005. There was a plausible causal chain linking the Bank's support with the outcome indicators. The design drew on extensive analytical work carried out since 1998 (World Bank, 2003a: 8), including a judicial assessment (World Bank, 2004). The design was reasonably focused mainly on key ministries, including the Ministries of Health and Education that had demonstrated success in improving planning and budgeting in the provinces. The reform management design included an Inter-ministerial Commission for the Reform of the Public Sector (CIRESP, a committee of the Council of Ministers) headed by the Prime Minister, and a Secretariat to manage day-to-day administration and coordination (UTRESP) that was fully staffed over two years before project approval, and tasked to manage \$16m in parallel support committed by the UK, Denmark, Ireland and the United Nations Development Program, in addition to the support from the Bank.

2.6 However, the design had a major shortcoming of over-ambition both before and after restructuring. At the time of appraisal, the 100,000 civil servants in Mozambique were among the most poorly educated in Africa. Only about 3 per cent of civil servants had a university degree, with almost all of them based in Maputo. Over half of managers lacked the necessary academic qualifications. In addition, the limited numbers of staff with technical and professional skills were poorly paid compared to the private and public enterprise sectors. Even if pay had been competitive, there were few potential

applicants available, with less than 500 higher education graduates coming on to the market each year. The operation's ambitious design required complex, coordinated actions across numerous ministries, and at both national and sub national levels of government. For example, the Council of Ministers decided that restructuring had to cover all organizations of the state, rather than to take a more limited approach as had been initially advised by the Bank. This proved to be unrealistic, and led to implementation delays and shortfalls in achievement.

2.7 In contrast, a related Bank intervention to support decentralization was highly focused on a strengthening a limited number of functions, building on prior experience with other partners in areas where they had had success. The priority was on solving at the local level development problems nominated and defined through a participatory process. These issues were of the appropriate scale to be addressed by district administrations comprising representatives from relevant ministries. A more focused design along these lines for PSRP would have been prudent.

2.8 An independent review carried out in 2005 for the Government, the Bank and other donors supporting public sector reforms concluded that although the quality of the reforms was good, implementation had been slower than expected, targets had only been partially met, and the impact on service delivery was marginal. One reason for the slow progress was the distraction to reforming agencies of the 2004 elections. The new government that took office in 2005 requested that the project be extended three years, and objectives adjusted according to the recommendations of the reviews. The restructuring also took into account the following issues:

- The Government had replaced the UTRESP management team, which would now report to the new Public Services Commission, Autoridade Nacional da Funcao Publica (ANFP), that was taking over from the Ministry of State Administration (MAE) all public sector and human resources management functions.
- The President of the ANFP supported a new approach focusing on improving services in priority areas such as health, education and agriculture. This approach replaced previous efforts that supported functional reviews developed mainly by external consultants, with little ownership by the sector ministries.
- There would also be a shift from monitoring based on inputs or outputs, to monitoring based on achieving specific outcomes and results. The new approach to monitoring would be used to establish and market successes and to identify problem areas and resistance to change.

2.9 The Board-approved restructuring added support to the Judiciary, the Attorney General's Office, and respective inspectorates, tools to expand access to justice, and to support to the 2007 Population Census. Starting with the ninth Implementation Status Report of April, 2007, there was also considerable revision and expansion of the indicators tracked in the monitoring framework, as provided for in the restructuring document (World Bank, 2006a, Annex 1). Although the extension of the project's term was appropriate given much lower than expected implementation progress, the addition of new components and expansion of the monitoring framework added to the project's complexity, which was not appropriate given the low capacity environment, and the

slower than expected progress even under the simpler, original design. Taking the original and restructured design into account, IEG rates the design relevance as modest.

### 3. Implementation

3.1 Total costs for the World Bank at appraisal were estimated at US\$25.6 million, while government contributions would be US\$4 million and other donors would contribute US\$15.4 million through a common fund, for a total of US\$45 million. At the time of the restructuring only US\$3.82 million (13 percent) had been disbursed, and at that stage the total costs (including contingencies) for the Bank were estimated at US\$28.5 million (US\$25.9 million plus US\$2.6 million set aside for price and physical contingencies). The government was expected to contribute US\$12.7 million, while other donors had committed US\$40.7 million to the common fund, for a total of US\$81.9 million.

3.2 The PSRP was financed by an IDA grant, as parallel financing next to a common fund to which several bilateral donors contributed. The Government and other donors working in Mozambique concluded that the Bank's financial management and procurement requirements would be too cumbersome to incorporate the PSRP into the common fund. While the design of the PRSP called for Government and bilateral contributions to the project, there were no actual such contributions. Due to challenges faced by the Government in providing its promised contribution, the 2006 restructuring allowed for 100 percent financing by IDA, including operating expenses. Bilateral funds were channeled through the common fund. Thus, the Bank and other donors supported a common program using two parallel foreign funding arrangements, with separately funded activities.

3.3 The actual costs to the Bank were US\$24.72 million, with the reduction from the cost at appraisal due to cancellation of funds. The mid-term review, planned for June 30, 2005, actually took place September 14, 2005 as part of a joint implementation review by the Bank and other donors providing complementary support. The closing date was initially extended by six months to Dec 30, 2006. At restructuring, the closing date was extended by three and a half years, from Dec 30, 2006 to December 31, 2009; a total project extension by four years.

3.4 The PSRP was conceived as an adaptable program loan (APL) with the PSRP as the first of two operations. While there were performance indicators in place intended to signal readiness for a second phase of IDA support under the APL, the Bank decided not to continue the second phase of the project, *inter alia* because of challenges in program coordination, monitoring and evaluation, and political support, as analyzed in paragraphs 4.20-4.22.

### 4. Achievement of the Objectives

4.1 Efficacy - the achievement of objectives - is measured separately for the original and restructured objectives, using outcome, intermediate outcome and performance indicators, along with other available measures.

## **Original Objective**

4.2 The original objective, “To support the Government to restructure the public service for decentralized service delivery, professionalize the public service, and improve governance”, will be assessed based on its two sub-objectives.

### **To restructure the public service for decentralized service delivery**

#### **Substantial**

4.3 The first outcome indicator was that at least six reengineering quick wins would have been implemented and recognized by clients as improving service quality. This was exceeded by the time of restructuring, with quick wins accomplished in land titling, visa services, commercial licensing, school registration system, exam registration system, vehicle imports, and driving licenses. These quick wins were supported by a small (2 percent of total disbursements) Performance Improvement Facility, that allocated awards based on a competitive process of evaluating bids from applicant ministries based on agreed criteria (Government of Mozambique, 2004). The field mission was told that these achievements had been sustained.

4.4 The second outcome indicator was that three ministries would have developed, approved and begun implementing their plans to restructure and decentralize. This was exceeded by the time of restructuring, with plans under implementation in the Ministries of Agriculture, Industry and Commerce, Education and Culture, and State Administration. These plans were developed and approved based on the Metodologia de Base para a Análise Funcional e Reestruturação dos Ministérios (Republic of Mozambique, 2003), prepared under the project. The results were a clarification of mandates, vision and mission, changes to the organizational structure, and to the payroll, staffing, and staff distribution between central and sub-national function and location. There were also new units set up in each restructured ministry, including departments of information systems and technology, and departments of human resources planning (Republic of Mozambique, 2012a). The final outcome indicator of having a new structure and policy framework in place for the Council of Ministers was being studied, but not yet adopted. A joint review by the Government and development partners in 2005 found that the reforms carried out had only had a marginal impact on service delivery. With two outcome indicators exceeded and one not achieved, the efficacy of this sub-objective is rated substantial.

### **To professionalize the public service and improve governance**

#### **Modest**

4.5 There were two outcome indicators related to this sub-objective. The outcome target of approving new regulations to establish a professional accounting body was partially met. The Parliament passed the first reading of a bill establishing the Order of Accountants and Auditors of Mozambique in 2011. The outcome target of approving and implementing a salary reform strategy was underway, but not completed. In addition, the

Government approved an anti-corruption strategy in 2006, drawing on a methodological study published in Mozambique in 2005 by the World Bank Institute.

4.6 Looking at other measures, the Bank's World Governance Indicator for governmental effectiveness was unchanged over the same period. The International Country Risk Group rating for bureaucratic quality was unchanged from 2003-9 at 1 out of 4. The International Country Risk Group rating for corruption was unchanged from 2003-6, but improved slightly from 1.5 out of 6 to 2 by 2009.

## **Restructured Objective**

4.7 The restructured objective stated: "The project aims to improve access to and quality of selected priority public services, and to improve legal and judicial services in selected provinces through supporting the implementation of the Public Sector Reform Program." It was measured by 3 outcome indicators, 15 intermediate outcome indicators, and 7 performance indicators for subsequent IDA support. Two sub-objectives will be discussed separately.

### **Sub-objective: to improve access to and quality of selected priority public services**

#### **Substantial**

4.8 Achievements are summarized in Annex B1. The outcome indicator of reducing the time and effective cost of obtaining the selected public services targeted was achieved. There were many improvements documented at the provincial level over the period 2006-8, as measured generally by reduction in time to receive a particular service (see Annex B2). A related government initiative building on the work of the PSRP was the establishment of Balcões de Atendimento Único (single service desks) through Decree No. 14/2007 in all provinces and some districts. The focus was on critical services such as hospital care, civil registration, criminal records management, issuing certificates, registration and distribution of school books, right of use and land, identity cards, passports, driving licenses, pensions, Administrative Court records, licensing of contractors, industry and commerce, and electricity billing (Mozambique, 2012b). However, the other outcome indicator seeking an increase in percentage of population reporting improvement in service delivery was not measured, although there are positive indications reported in paragraph 4.11 below.

4.9 Out of ten intermediate outcomes under this sub-objective, six were achieved, and two were partially achieved. The planned reduction in administrative costs was not monitored, and any increases in the percentage of mid- and senior-level professionals assigned to provincial and district levels not possible to tell. However, the adoption of Decree No. 5/2006 may have helped to improve the process of posting professions at the sub national level through the devolution of powers in human resources management to governors and provincial administrators in districts. The achievement of improvements in service standards was exceeded in business licensing in three provinces, but was not achieved in land registration and pensions. An 80 percent target was achieved of registration of public servants in a uniform human resource data base, the Electronic System of Personal Information. The expectation of e-SISTAFE use and increase in

public institutions audited was met, although more work is needed to make it an effective financial control system. The intermediate outcome on procurement was also met. The intermediate outcome of certification of accountants was partially met. In November, 2011, a bill establishing the Order of Accountants and Auditors of Mozambique passed the first reading in the Parliament. The order will manage all matters concerning the profession, including accrediting all accountants and auditors (All Africa, 2011). The Bank and Deutsche Gesellschaft für Internationale Zusammenarbeit are currently providing support to the Government Auditor (Tribunal Administrative) to help with implementation, and stakeholders reported good progress to the mission. The other intermediate results on publication of census, completion of progress reports and outputs on the PSRP were completed as planned.

4.10 Overall, the project worked in many ways to improve the professionalization of the Public Service. In addition to steps already mentioned, parallel achievements both during and after project completion in this area that may have been influenced by the project include:

- Establishment of a Forum of Human Resources Managers
- Adoption of the Administrative Procedure Act
- Implementation of a new performance management system, the SIGEDAP
- Institution of public tenders for selection and appointment of permanent secretaries
- Updating of the General Statute of Employees and Agents of the State to strengthen labor relations.
- New policies to promote inclusion in public service, including strategies on gender, Human immunodeficiency virus / acquired immunodeficiency syndrome, and the poor.
- Implementation of a medium-term pay policy to make salaries more competitive, particularly for the 70 percent of staff posted to remote areas (Government of Mozambique, 2012b.).
- Adoption of the Single Treasury Account as a step towards tighter financial control
- Adoption of Law No. 1/2008 to strengthen capacity of trust fund management and revenue collection.
- Adoption of the new Regulation of Procurement of Goods and Services of the State. (Ibid.)
- Setting up of administrative courts in Sofala, Zambezia and Nampula provinces
- Strengthened state capacity to prevent and combat corruption including the Central Office for Combating Corruption, the Inspector General of State Administration, and the General Inspectorate of Finance and Inspections.

4.11 Seven performance indicators measured targets under this sub-objective that were conditions for moving to the second phase of the APL. Six were achieved and one was partially achieved. The first was that at least twelve reengineering quick wins would have been implemented and recognized by clients as improving service quality (including the six achieved prior to restructuring). By project completion, more than 12 quick wins (up from 6 in the original design) had been achieved. Data from almost half of all provinces



showed improvements such as decreases in waiting times for the Ministries of Commerce, Health, Agriculture and Education. However, in a related outcome indicator from the restructured project, citizen survey data for Maputo Municipality for four priority services found that the average 3 percent reporting improvement in service delivery was below the target of 5-10 percent.

4.12 In a related initiative, the Government has set up Single Service desks in all provinces and some districts, to streamline service delivery. As part of this initiative, a Standard Instrument Satisfaction Survey measures user satisfaction. Overall, the evaluation indicates positive satisfaction in terms of ease of access, time required, and adequacy of staff and infrastructure. Among the services perceived as having improved the most are in education (enrollment and distribution of school books), justice (birth certificates) and health (emergency services in public hospitals and outpatient care) (Republic of Mozambique, 2012a). These positive results indicate the value of using sector-level, problem-driven approaches focusing on discrete areas such as reducing the time taken to deliver a particular service. This route has the advantage of potentially delivering visible results valued by citizens, while enhancing the ownership motivation of front-line public servants by fully involving them in the reform process.

4.13 The second indicator was that “At least eight (up from three in the original project) ministries, provinces or districts will have begun to implement their plans to reengineer, restructure & decentralize the delivery of services (implementation to mean: structures have been revised, staffing changes made & funding secured).” This was reportedly achieved in more than eight ministries by project completion. By 2011, 21 out of 25 ministries had gone through the process. The City Council of Maputo also carried out a functional analysis and restructuring process, and 17 of these entities had implemented their restructuring plans, 10 had implemented new staffing arrangements, and the remaining 7 were awaiting approval of their new staffing. In addition, the 41 interministerial commissions constituted over the period 1978 to 2005 had been restructured by 2011 to become 18 committees, with modernized processes and standards to act as effective instruments of public policy. In 2012, the Basic Law of the Organization and Functioning of Public Administration (Leboa) (Law n. ° 07/2012 of 8 February) was adopted to rationalize the creation and administration of governmental bodies. (Republic of Mozambique, 2012a).

4.14 The Government expressed the view that the functional reviews carried out were helpful for organizational alignment and deconcentration, but not the most effective way of improving service delivery, which required other management initiatives and systems with a focus on user satisfaction (World Bank, 2010: 50). However, the PSRP restructuring may have contributed to service delivery improvements recorded in Annex 2B.

4.15 The next indicator had the target of setting up an operational professional accounting body. This was partially met as discussed above. Another indicator had the target that a new salary policy would be approved by the Council of Ministers, and be progressively implemented – this was achieved. A new medium term salary policy was approved by the Council of Ministers in 2008, and started implementation with a salary decompression in 2009, which has been assessed consistent with medium term fiscal

sustainability. The new salary policy rationalizes salary scales across ministries, improves incentives for qualifications, responsibility, experience, and staff mobility, and modernizes pension benefits (World Bank, 2012c). Intermediate outcomes concerning the integrated electronic financial management system (e-SISTAFE) are relevant here. The e-SISTAFE has been rolled out to all ministries at the central and provincial levels, 50 out of 128 districts and in about 29 autonomous institutions. In 2010, 18 percent of salaries were being paid through a biometric database that is part of the system.

4.16 The field mission found that e-SISTAFE was operational in 6 of 12 districts in Tete Province. Where operational and working properly, the system provides weekly, granular updates on expenditures. One technical advisor interviewed stated that this new level of transparency within government can provide better reporting to development partners than was provided previously by ring-fenced systems.

4.17 Another indicator had the target that a new structure and policy framework would be in place for the Council of Ministers, was achieved. The decision making process now includes Technical Advisory Councils, drawing on empirical data supported by appropriate information systems. There is also a strengthened role for permanent secretaries in directing sectoral policies, complementing the political role of the minister (Republic of Mozambique, 2012b). The final two indicators were not part of the original operation. The sixth, that the three personnel databases would be integrated, has been achieved, with a biometric database discussed above being used for salary payments. The final indicator had the target of completing the 2007 Population Census, and this was achieved.

4.18 To summarize, after the project restructuring, one out of two outcome indicators were achieved, and most intermediate results and performance indicators were achieved or partially achieved. In some cases, achievement took place after project completion, but there is a plausible link between support from the operation and the results achieved. Based on all the above considerations, IEG rates the efficacy of achievement of the restructured objective as substantial.

### **Sub objective: to improve legal and judicial services in selected provinces**

#### **Negligible**

4.19 The performance of this sub-objective is also summarized in Annex B1. The various expected outcomes were either not met, or could not be measured. Some other indications are: Mozambique's "strength of legal rights index" is rated 2 out of 10, indicating weak protection for legal rights of borrowers and lenders in collateral and bankruptcy laws (World Bank, 2012a: 11), and there has been no improvement since 2005. This compares to a sub-Saharan African (developing country) average of 5.8. A previous evaluation found that "Judicial sections for commercial disputes were not established as scheduled under the Bank's strategy. Neither the legal framework nor the efficiency of courts in resolving business disputes improved. The government did not revise all the codes, but the number of cases sentenced increased." (IEG, 2010: xiv) This was despite support from eight PSRCs over the period 2004 to 2012 and a parallel Bank project, the Economic Management and Private Sector Operation that supported the

completion of a strategic plan for legal and judicial reform that incorporated the strategic plans of the four branches (Ministry of Justice, Attorney- General, Supreme Court, and Administrative Court). There were also measures supported by the Poverty Reduction Strategy Credits (PRSCs) (Ibid: 56). The field mission found that a key remaining challenge in the justice sector was the failure to adjudicate cases within the legally mandated time. This problem is caused by, inter alia, the growth in the number of cases, weak capacity of judges, and inadequate court space and bailiff assistance. A justice sector team is currently in the process of gathering baseline information on caseloads, the presence of judges and infrastructure capacities, that can be used as the basis for planning, budgeting for, and monitoring targeted improvements in case adjudication. This work is being supported by the Bank, see World Bank, 2012b.

### **Contextual factors that may have affected achievement**

4.20 Informants suggested to the field mission possible reasons to explain the pattern of achievements under the operation. Government support for the reform initiatives may have been spurred on initially by three key factors. First, Frelimo won the 1999 by a very close margin over the second place party: Renamo won 48 percent of the presidential vote, and 39 percent of the parliamentary vote. This gave the Frelimo Party's reform wing credibility in calling for improving public services. Even the party's conservative wing supported the reforms to avoid risking future electoral defeat in the next election. Second, public sector reform was popular with Mozambique's donors. Between 2002 and 2003 there was a sharp decline in aid disbursements from all donors, from \$2.2b to \$1.0b. While 2002 had seen unusually large aid flows, aid disbursements in 2003 were even a bit lower than in 1995, in part because Mozambique was losing its "post conflict" aid premium. As a result, the government was willing to support donor priorities in order to get more aid.

4.21 Mozambique has a democratic political system (rated partially free, 3.5 out of 7 by Freedom House). However, since 1999 it has taken a smaller and smaller fraction of the population to win an election because of declining support for opposition parties. In the latest, 2009 election, for example, the second largest (RENAMO) party won a total of 3 percent of the population (8 per cent of voters). This is an example where only a small number of votes (i.e. one more than 8 percent of the electorate) are needed to defeat the opposition. In such settings, the most effective political strategy may be to provide mainly private benefits such as targeted tax exemptions, opportunities for rent seeking, and patronage jobs to the most loyal supporters rather than public goods benefiting the larger population (Bueno de Mesquita, 2004). These conditions have not changed in more recent years. In the Economic Intelligence Unit's democracy index, Mozambique has fallen by eight places relative to other countries in the period 2008-2011.

4.22 Thus, informants suggested that at the time of appraisal the government may have wanted to support improved public services to increase its electoral support, and in order to stop and reverse the decline in foreign aid disbursements. As the ruling party got more confident about electoral majorities and aid flows, the Government may have decided to slow down implementation of politically sensitive commitments. While FRELIMO leader Armando Guebuza made a campaign pledge to address corruption, crime and poverty, leading to his victory as President in the 2004 election,

implementation has lagged. There have been many improvements in bureaucratic processes supported by PSRP and related efforts, but little change in actual governance outcomes as measured by independent observers. There has been also little change in corresponding poverty outcomes, with Mozambique rated 185 out of 187 on the 2012 Human Development Index.

4.23 Overall, the government has broadly succeeded in defending its core, strategic interests. Electoral majorities have increased, and aid increased to US\$2.0b in 2009 and 2010. Aid as a proportion of total expenditures reached a peak of 53 percent in 2009, but has since declined to 36 percent in 2011 (IMF, 2011) due largely to the expansion of the natural resources economy.

## **5. Efficiency**

### **Modest**

5.1 Neither the Project Appraisal Document (PAD) nor the restructuring document provides a cost benefit analysis summary, and the ICR lacked any discussion on efficiency. The field mission was unable to find in the project file any evidence of design or implementation features intended to achieve value for money, other than standard procurement provisions such as the one that consulting service contracts costing more than US\$100,000 for firms would be awarded through quality and cost based selection method (smaller contracts were awarded based on consultant qualification only).

5.2 However, there were features of the design and implementation that may have reduced efficiency. The fact that project completion took more than twice the time originally planned resulted from an overly ambitious set of objectives in light of the weak capacity of participating Government agencies, leading to delays and limited achievement of intended outputs, monitoring and evaluation. Disbursement delays in the initial phase of implementation were also caused by the lack of counterpart funds (addressed after restructuring by allowing PSRP to fund 100 percent of costs). The over-ambition of the program with its non-prioritized agenda, and lack of political guidance from senior levels of government, overwhelmed UTRESP with an agenda too large to cover efficiently. There were institutional changes to address these issues (new UTRESP structure and reporting arrangements), but project efficiency continued to suffer from the limited capacity and political influence of UTRESP staff, and the lack of higher level guidance. The structuring of the operation as separate from the multi-donor Common Funds also reduced efficiency. The Bank's Administrative requirements were viewed as relatively cumbersome, so UTRESP gave priority to funding activities using the Common Funds rather than the PSRP.

## **6. Ratings**

### **Outcome**

**Moderately Unsatisfactory**

6.1 While the objectives before and after restructuring were substantially relevant, the design was only modestly relevant before and after restructuring. While there were many positive design features, the design at appraisal proved overambitious in such a low capacity environment, particularly when high level commitment for the reforms started to flag. The restructuring added to the complexity, making it even more difficult to achieve the objectives in the allotted time. The operation prior to restructuring made substantial progress on the sub-objective of restructuring the public sector, with targets of re-engineering quick wins and ministerial restructuring exceeded, and some progress on a new structure and policy framework for the Council of Ministers. Modest progress was made on the sub-objective of professionalizing the public service and improving governance. Following restructuring, there was substantial progress on the sub-objective of improving access to and quality of selected priority public services, with achievement of most outcome, intermediate and performance indicators. There was negligible progress on the sub-objective of improving legal and judicial services.

6.2 Taking into account the substantial rating on relevance of objectives, the modest rating on design relevance and efficiency, and the uneven achievements during both periods, IEG rates the outcome as Moderately Unsatisfactory. This has been upgraded from the unsatisfactory rating in the ICR Review because of achievements made since project completion.

## **Risk to Development Outcome**

### **Significant**

6.3 Although the Government's Public Sector Reform program ended in 2011, it is being continued through the Plano Estratégico de Desenvolvimento da Administração Pública (2013/2025), which intends to deepen reforms on professionalization of the state, decentralization, improving service delivery, ministry restructuring, enhanced integrity, technology innovation, and enhanced monitoring, evaluation and public communication. For an action plan through 2014 in these areas, including a detailed monitoring framework and assignment of responsibilities, see Government of Mozambique, 2012b.

6.4 The main risk to the continuation of reforms, and the sustainability of the outcomes achieved is the uncertain political commitment from the leadership. While public sector reforms were clearly a priority in the early 2000s, there was less involvement from the top political leadership in successive years, and not enough guidance to civil servants carrying out the reforms on strategic prioritization. While development partners continue to support reform through pooled funding, and while the Bank's proposed Public Financial Management for Results Program is expected to provide complementary support, the reform agenda is at high risk without strong political backing and priority setting from the leadership. Taking these factors into account, risk to development is rated significant. This has been upgraded from the high rating in the ICR Review because of progress made since project completion.

6.5 Going forward, the mission was told that the expected sharp increase in natural resource revenues over the next decade could heighten the risk, as it could further reduce

the need for political elites to motivate people to create wealth through provision of public goods such as rule of law, political freedom and education, and further increase the risk of corruption. "Dutch disease" effects could also lead to currency appreciation, unsustainable increase in inefficient public spending, price increases in non-traded goods, and current account deficits.

## **Bank Performance**

### **Moderately Unsatisfactory**

6.6 Preparation prior to appraisal was extensive, with extensive analytical work, consultations with key stakeholders, and alignment with a high-profile Government reform initiative. The Bank worked with many development partners in preparing the project, and in jointly funding the Government's Public Sector Reform Secretariat (UTRESP); the development partners also worked in parallel to support complementary reforms through a common fund arrangement. However, there were significant design weaknesses, including an M&E framework missing some necessary baselines, and the lack of operational manuals at the time of project effectiveness. Although the Bank argued that the restructuring of Government ministries should start with a two key ministries, the Ministry of Health and the Ministry of Education, the Government felt politically that the restructuring had to cover all ministries at the same time. This large scope, combined with the initial three-year timeline, was overambitious, and the incumbent risks were not mitigated properly.

6.7 This area of work was scaled back in some respects during project restructuring; with a more practical approach of having the targeted ministries design and carry out the reforms, rather than giving the responsibility to UTRESP. However, the scope was then expanded into additional areas including a legal capacity building and census components, which lacked synergy with the rest of the project. This over-ambition, first of the initial design, and then with the restructuring, strained the limited capacity of UTRESP, and contributed to low disbursement rates in the early years, and eventual results below expectations. While the M&E framework was expanded with restructuring, there were still missing baselines, and some indicators lacked quantified targets. The challenges of addressing such an ambitious scope were further heightened by the lack of political guidance from the country's political leadership on prioritization, which could have been foreseen as a risk and with mitigating measures put forward. Based on the above, IEG rates quality of entry as moderately unsatisfactory.

6.8 There were two supervision missions per year on average, and informative ISRs were completed with realistic ratings, and that identified implementation issues for management attention. A shortcoming was the frequent changes of TTLs (five TTLs in all over the period 2003-2009), leading in some cases to weak follow-up of recommendations, and misunderstandings with key stakeholders. There should have also been greater attention paid to ensuring that all indicators were being properly monitored. The preference of Government for drawing on the multi-donor common fund rather than the Bank project contributed to the low initial disbursement from the Bank project. While supervision reports highlighted weaknesses in the M&E framework on numerous

occasions, the weaknesses persisted after restructuring. Based on the above, IEG rates supervision as moderately unsatisfactory.

6.9 Taking all these considerations into account, IEG rates overall Bank Performance as moderately unsatisfactory.

## **Borrower Performance**

### **Moderately unsatisfactory**

6.10 During the period of project preparation, there was no question of the seriousness of the commitment of the leadership to the reform agenda. The UTRESP director had excellent access to the Prime Minister, and the Ministry of Finance was also broadly supportive (although less so on pay reform). The political leadership was very involved initially. As discussed above, one consequence of this was a decision by the Council of Ministers that the restructuring had to cover all organizations directly or indirectly financed by the state, which went against the preferences of the Bank to start with a more limited approach. This strained UTRESP's limited capacity, on top of the need to build relations with a new Prime Minister in 2005. (ISR2) As implementation got underway, there was a lack of clear guidance from the political leadership on key political objectives, priorities and sequencing of the reform agenda. In addition, the 15 percent share of counterpart funds initially agreed with IDA were not provided as expected for operating expenses of UTRESP and payment of taxes, contributing to disbursement delays. UTRESP's role was further diminished by the change in the overall structure of the reform program, moving UTRESP from the Inter-ministerial Commission for the Reform of the Public Sector (CIRESP), which reported directly to the President, to the National Agency for the Public Service, a ministry reporting to Cabinet. Based on the above, IEG rates Government performance as moderately unsatisfactory.

6.11 The implementing agency performance was mixed. When first constituted, UTRESP was the Secretariat of CIRESP, and thus well connected to policy making at the highest level. However, as implementation proceeded, UTRESP had to focus more on procurement and other administrative matters, leaving little time for it to function as an advisor to the policy level of government. UTRESP also was disrupted by having four project directors over the life of the project, and had problems in hiring additional staff with needed skills due to the limited pool of qualified professionals in Mozambique. The result was that insufficient high quality advice was provided at the policy level, contributing to the lack of a focused and coherent approach to reform policy conceptualization and implementation. The other implementing agencies added at restructuring also exhibited a mixed performance. While the National Institute of Statistics had a focused work plan and generally performed well, the Judicial Training Center and Ministry of State Administration (MAE) both had procurement problems leading to delays and complaints.

6.12 There were also reported tensions between UTRESP and implementing ministries. For example, UTRESP had no justice expert on its staff for the first year of implementation. Subsequently, progress in the justice sector was slow because the Ministry of Justice lacked the capacity to draw up plans so that funds could be accessed,

and UTRESP didn't help to build such capacity. Based on the above, IEG rates implementing agency performance as moderately unsatisfactory.

6.13 Taking all these considerations into account, IEG rates overall Borrower Performance as moderately unsatisfactory.

## **Monitoring and Evaluation**

### **Modest**

6.14 At appraisal, the five outcome indicators were reasonable measures of the overall objective, were measurable, and were monitored in regular ISRs. At restructuring, the indicators used were also reasonable measures of the revised objective. However, one of the three outcome targets couldn't be adequately monitored because it lacked a baseline, and four out of 13 intermediate outcome targets either weren't monitored or couldn't be properly monitored because of lack of a baseline. In addition to these design shortcomings, M&E implementation was weak due to low capacity in UTRESP and participating ministries, and the wavering commitment of senior political leadership to public sector reform.

## **7. Lessons**

7.1 Public Sector Reform Public Sector Reform operations need to consider sustainability of commitment from the country's leadership. Political commitment is multi-dimensional and evidenced by several elements: clear enabling policies, time-bound implementation strategies, adequate resourcing, inclusive citizen participation, etc. When this wanes, as in Mozambique, this needs to be recognized and appropriate action taken to put the program back on track or consider suspension.

7.2 The reform program's ambition must fit the country's capacity and technical assistance needs. In the case of Mozambique part of the program was well designed to focus on quick wins that would visibly generate public support, help sustain commitment, and can help motivate service providers. However, the legal reform element was overly complex and lacked adequate technical assistance to keep it on track. A capacity assessment with associated technical assistance planning may have helped to keep this reform element on track.

7.3 In contexts where there is joint donor support, the Bank should aim to also provide its support through this fund. Using the same processes for accessing funding from the Bank as for other funding reduces transaction costs for the Government, and helps ensure that the Bank's resources are disbursed without delay. Electing to opt out of joining a common fund can create an additional burden for the implementing unit and stretch already thin capacity and resources further, in addition to creating the confusion that running disparate systems invariably causes.

7.4 Both factors of leadership commitment and capacity have implications for M&E. In situations of low commitment and capacity, the Bank needs to spend extra effort to select and link measurable indicators to objectives, and obtain baseline data at the outset.



M&E needs to be owned by project managers to support real-time adjustment to projects through the use of feedback mechanisms, and to ensure that results are broadly understood, and used to widen support for reform.

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## Annex A. Basic Data Sheet

### REPUBLIC OF MOZAMBIQUE: PUBLIC SECTOR REFORM PROJECT – P072080 (LOAN 0240-MOZ)

#### Key Project Data (amounts in US\$ million)

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as percent of appraisal estimate</i>
Total project costs	25.60	24.72	97.00
Loan amount	25.60	28.07	109.65
Cancellation	0.00	1.18	0.00

#### Cumulative Estimated and Actual Disbursements

	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>
Appraisal estimate (US\$M)	5.80	15.30	22.70	25.60	25.60	25.60	25.60	25.60
Actual (US\$M)	0.00	1.280	1.94	3.16	9.35	20.52	24.77	28.07 <sup>1</sup>
Actual as percent of appraisal	0.00	8.390	8.55	12.36	36.53	80.75	96.75	109.65
Date of final disbursement: May 2010								

#### Project Dates

	<i>Original</i>	<i>Actual</i>
Initiating memorandum	09/28/2000	06/05/2001
Negotiations	10/31/2001	05/30/2002
Board approval	04/27/2001	03/18/2003
Signing	05/16/2003	05/16/2003
Effectiveness	08/20/2003	08/20/2003
Closing date	06/30/2006	12/31/2009

<sup>1</sup> This disbursement amount from the Bank's Client Connection system is different from the amount cited in the ICR, as reported in the table above this one. IEG requested an explanation, but the project team was unable to explain.

**Staff Inputs (staff weeks)**

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
<b>Lending</b>		
FY01	17	56.09
FY02	27	160.38
FY03	20	94.09
<b>Total:</b>	<b>64</b>	<b>310.56</b>
<b>Supervision/ICR</b>		
FY03	9	43.31
FY04	30	134.44
FY05	42	117.04
FY06	47	166.18
FY07	23	179.31
FY08	55	292.00
FY09	44	203.66
FY10	25	132.50
<b>Total:</b>	<b>275</b>	<b>1,268.44</b>

**Task Team Members**

Names	Title	Unit	Responsibility/ Specialty
<b>Lending</b>			
Harry Garnett	Sr. Public Sector Specialist	AFTPR	Task Team Leader
Reynaldo Castro	Consultant	AFTPR	Operations Specialist
Anthony Hegarty	Sr. Financial Management Specialist	AFTFM	Financial Management
<b>Supervision/ICR</b>			
Harry Garnett	Sr. Public Sector Specialist	AFTPR	Task Team Leader
Guenter Heindenhof	Sr. Public Sector Specialist	AFTPR	Task Team Leader
Gradimir Radisic	Sr. Public Sector Specialist	AFTPR	Task Team Leader
Lisa Bhansali	Sr. Public Sector Specialist	AFTPR	Task Team Leader
Anne-Lucie Lefebvre	Sr. Public Sector Specialist	AFTPR	Task Team Leader
Reynaldo P. Castro	Consultant	AFTPR	Operations
Nancy Chaarani Meza	Consultant	AFTPR	Operations
Tulio Henrique Lima	Financial Management	LCSFM	Financial management

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Correa	Specialist		
Nelia Polines Dinkin	Program Assistant	AFTPR	Task assistance
Anne Louise Grinsted	E T Consultant	AFCS2	Decentralization
Beth Anne Hoffman	Operations Analyst	LEGEN	Legal & judicial
Jose Luis Macamo	Consultant	AFTP4	Public Sector
Amos Martinho Malate	Procurement Analyst	AFTPC	Procurement
Antonio Chamuco	Procurement Specialist	AFTPC	Procurement
Adelina Mucavele	Team Assistant	AFCS2	Task assistance
Jonathan Nyamukapa	Sr Financial Management Specialist	AFTFM	Financial management
Carolina Rendon	Public Sector Specialist	LCSPS	Public Sector
Joao Tinga	Financial Management Analyst	AFTFM	Financial Management
Elvis Langa	E T Consultant	AFTFM	Financial Management

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## Annex B1. Achievement of Outcome, Intermediate and Performance Indicators after Restructuring

<b>Sub-objective: To improve access to and quality of selected priority public services</b>		
<b>Outcome indicator</b>	<b>target</b>	<b>achievement</b>
percentage of population reporting improvement in service delivery (access and quality) for selected prioritized public services.	5-10 percent increase from baseline	Not achieved. Only measured in the Municipality of Maputo, and was not met (2.6 percent-3.1 percent found improvement, which was little different from the baseline).
Reduction of average time and effective cost of obtaining the selected public services targeted under the project	Significant decrease (at least 10-20 percent)	Achieved. See Annex B2.

<b>Sub-objective: To improve access to and quality of selected priority public services</b>		
<b>Intermediate results indicators</b>	<b>target</b>	<b>achievement</b>
Reduction of percentage of administrative overhead costs	5-10 percent increase from baseline	Not monitored
Increased percentage of mid and senior level professionals in selected public institutions assigned to provincial and district levels.	Significant Increase of at least 15-20 percent	Not achieved
percentage of public servants integrated into a uniform human resource data base.	At least 80 percent	Achieved.
percentage of public servants benefiting from the newly introduced salary and incentive system.	At least 30 percent	Achieved. Data not collected during operation, but Salary Reform Policy adopted in 2008, providing significant new incentives.
percentage of public institutions at national and subnational levels with basic capacity in the areas of Development planning, public financial management, procurement, monitoring & evaluation <sup>3</sup>	At least 50 percent	Partially achieved. All 128 districts adopted participatory planning approach. E-SISTAFE is being widely used (see below). Progress on procurement, M&E is



<b>Sub-objective: To improve access to and quality of selected priority public services</b>		
<b>Intermediate results indicators</b>	<b>target</b>	<b>achievement</b>
		unknown.
Total number (and percent) of public institutions executing at least 75 percent of their annual budgets through the Integrated electronic financial management system (e-SISTAFE).	23 ministries 11 provinces	Achieved. The e-SISTAFE has been rolled out to all ministries at the central and provincial levels, 50 out of 128 districts and in about 29 autonomous institutions. In 2010, 97 percent of the budget (goods and services) is done through the system. 18 percent of salaries were being paid through a biometric database that is part of the system.
percent of reviewed procurement processes that are assessed as conforming to the new procurement regulations.	At least 75 percent	Achieved. According to 2010 PEFA, 82 percent of 2009 purchases above legal threshold were procured competitively.
Number (and percent) of public accountants who are certified (*).	500 certified by the Accountants Association.	Partially achieved. In November, 2011, a bill establishing the Order of Accountants and Auditors of Mozambique passed the first reading in the Parliament.
Number of public institutions (central and provincial) which are annually externally audited (indicator reformulated during implementation)	At least 20 percent increase in the number of public institutions audited annually.	Achieved. According to 2010 PEFA, the number of institutions audited increased from 172 in 2006 to 451 in 2009.
Population census 2007 completed and data published	Census published	Achieved

<b>Sub-objective: To improve access to and quality of selected priority public services</b>	
<b>Performance Indicator</b>	<b>Achievement</b>
<i>At least twelve</i> reengineering "quick wins" will have been implemented that will be recognized by the Ministries' clients (through service delivery surveys) as	Achieved. More than 12 reengineering "quick wins" were implemented and recognized by the clients through surveys as improving the quality of its services.

<b>Sub-objective: To improve access to and quality of selected priority public services</b>	
<b>Performance Indicator</b>	<b>Achievement</b>
improving the quality of its services.	
At least eight ministries, provinces or districts will have begun to implement their plans to reengineer, restructure & decentralize the delivery of services (implementation to mean: structures have been revised, staffing changes made & funding secured).	Achieved. More than eight (8) ministries had begun implementation of reengineering, restructuring and decentralization of service delivery plans as agreed.
A professional accounting body has been set up and is operational.	Partially achieved, as discussed above.
A new <i>salary policy</i> has been approved by the Council of Ministers, and is progressively been implemented.	Achieved.
The new policy process by which policies are formulated and submitted to the Council of Ministers, and which will link policy to resources and involve widespread consultation, will have begun to be implemented.	Achieved.
The integration of the three personnel databases into a single database will have begun.	Achieved.
The Population Census 2007 has been completed.	Achieved.

<b>Sub-objective: to improve legal and judicial services in selected provinces</b>		
<b>Outcome indicator</b>	<b>Target</b>	<b>Achievement</b>
percentage of population reporting improvement in access to and quality of legal and judicial services in selected provinces.	Significant increase (at least 5-10 percent)	Not met

<b>Sub-objective: to improve legal and judicial services in selected provinces</b>		
<b>Intermediate results indicators</b>	<b>target</b>	<b>Achievement</b>
Reduction in the number of days between intake of new case in the justice system (courts/prosecutor's office) and its sentence in selected Provincial courts.	Significant increase (at least 10 percent)	This indicator was not monitored. The mission was told that there is continuing failure to adjudicate cases within the legally mandated time.
Increase of percentage of	Significant increase (at least	This indicator was not

citizens' conscious of selected legal rights and responsibilities (e.g. land, marriage) in selected provinces.	50 percent)	monitored.
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<b>Sub-objective: to improve legal and judicial services in selected provinces</b>	
<b>Performance indicator</b>	<b>achievement</b>
Provision of services has improved in at least six of the twelve judicial and prosecutorial jurisdictions supported by the Project.	Not achieved

## Annex B2. Provincial Level Service Delivery Improvements Achieved

Service Delivery improvements achieved.

### Situação Dos Doze Serviços Críticos nas Províncias

#### 1. Província de Tete

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008	
Direcção Provincial de Saúde	Hospital Provincial de Tete	Serviços de Urgência	Tempo de espera para atendimento	5 horas	1 hora	
	Hospital Provincial de Tete	Consultas Externas	Tempo de espera p marcação	30 dias	3 dias	
	Hospital Provincial de Tete	Consultas Operatórias				
		- Medicina	Tempo de espera p marcação	30 dias	3 dias	
		- Pediatria	Tempo de espera para atendimento	16 dias	Imediata	
		- Genecologia	Tempo de espera p marcação	30 dias	7 dias	
		- Cirurgia	Tempo de espera para atendimento	16 dias	7 dias	
		- Ortopedia	Tempo de espera p marcação	45 dias	15 dias	
		- Fisioterapia	Tempo de espera para atendimento	10 dias	Imediato	
		- Oftamologia	Tempo de espera p marcação	45 dia	1 dia	
		- Estomalogia	Tempo de espera para atendimento	7 dias	Imediato	
		- Psiquiatria	Tempo de espera p marcação	7 dias	Imediato	
		Anestologia	Tempo de espera p marcação	7 dias	1 dia	
Secretaria Provincial		Visto do Tribunal Administrativo	Tempo de espera p atribuição	6 meses em média	4 meses em média	
Direcção Provincial de Justiça	Registo Civil	Registo de Civil	Tempo de espera p atribuição	8 dias e urgente 2 dias	3 dias e urgente 1 dias	
	Registo Criminal	Registo criminal	Tempo de espera p atribuição	90 dias	45 dias	
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	30 dias	15 dias	
		Matrículas	percent de cobertura	89 percent	97 percent	
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	73.3 percent	98.7 percent	
Direcção Provincial de	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	48 horas dentro da	48 horas dentro da Província e 2 dias	

Transportes e Comunicações				Província e 2 dias em média fora da Província	em média fora da Província
Direcção Provincial de Indústria e Comércio		Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	15 dias	02 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão	90 dias	90 dias
Direcção Provincial de Plano e Finanças	Direcção Nacional da Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	11 meses	7 meses
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera	15 dias	15 dias

## 2. Província de Nampula

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospital Central de Nampula	Serviços de Urgência	Tempo de espera para atendimento	45 minutos	30 minutos
		Consultas Externas	Tempo de espera para marcação	90 dias	Até 60 dias
		Consultas Operatórias	Tempo de espera para marcação	60 dias	30 dias
Tribunal Administrativo		Visto do Tribunal Administrativo	Tempo de espera p atribuição	1 ano	3 meses
Direcção Provincial de Justiça	Registo Civil	Registo de Civil	Tempo de espera p atribuição	Até um dia ou algumas horas	Até um dia ou algumas horas
	Registo Criminal	Registo criminal	Tempo de espera p atribuição	60 dias	15 a 30 dias
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	30 dias	10 dias
		Matrículas	percent de cobertura	62 percent	88.1 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	84 percent	94.3 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	30 dias	15 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e	Emissão do DUAT	Tempo de espera para emissão	90 dias	90 dias

	Cadastro				
Direcção Provincial de Plano e Finanças	Direcção Nacional da Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	6 meses	3 meses
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera	6 meses	15 dias

### 3. Província de Sofala

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospital Central da Beira	Serviços de Urgência	Tempo de espera para atendimento	Imediato	Imediato
		Consultas Externas	Tempo de espera para marcação	3 semanas	3 semanas
		Consultas Operatórias	Tempo de espera para marcação	15 dias a 1 mês	7 dias a 1 mês
	Hospitais Rurais de Búzi, Dondo, Muxungue, Marromeu e Nhamatanda	Serviços de Urgência	Tempo de espera para atendimento	Imediato	Imediato
		Consultas Externas	Tempo de espera para marcação	7 dias	7 dias
		Consultas Operatórias	Tempo de espera para marcação	15 dias a 1 mês	15 dias a 1 mês
Tribunal Administrativo (SP/DF)		Visto do Tribunal Administrativo	Tempo de espera p atribuição	15 a 30 dias	45 a 60 dias
Serviços Provinciais de Registos e Notariado	Registo Civil	Registo de Civil	Tempo de espera p atribuição	1 a 5 dias	1 a 2 dias
	Registo Criminal	Registo criminal	Tempo de espera p atribuição	45 a 90 dias	45 a 90 dias
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	1 a 15 dias	1 a 15 dias
		Matrículas	percent de cobertura	87 percent	90 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	90 percent	+ de 90 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	7 a 15 dias	7 a 15 dias
Direcção Provincial de Indústria e Comércio		Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	5 a 10 dias	2 a 3 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão		Da competência do Governador 60 a 90 dias; Da competência do Ministro 3 a 6 meses

Direcção Provincial de Plano e Finanças	Direcção Nacional da Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	9 meses a 3 anos	9 meses a 3 anos
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera	10 a 15 dias	7 a 10 dias

#### 4. Cidade de Maputo

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospitais José Macamo e Mavalane	Serviços de Urgência	Tempo de espera para atendimento	+ de 12 horas	4 a 10 horas
		Consultas Externas	Tempo de espera para marcação	3 meses	1 a 2 meses
		Consultas Operatórias	Tempo de espera para marcação	1 a 2 meses	1 mês
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	30 dias	5 dias
		Matrículas	percent de cobertura	94 percent	102 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	100 percent	100 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	21 dias	7 dias
Direcção Provincial de Indústria e Comércio		Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	Com importação	15 a 30 dias
				Sem importação	8 a 15 dias
				Licença simplificada	imediatamente

#### 5. Província de Inhambane

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospital Provincial de Inhambane	Serviços de Urgência	Tempo de espera para atendimento	1 hora	½ hora
		Consultas Externas	Tempo de espera para marcação		
		Consultas Operatórias	Tempo de espera para marcação		
	Centro de Saúde Urbano	Serviços de Urgência	Tempo de espera para atendimento		
		Consultas Externas	Tempo de espera para marcação	3 meses	2 meses
		Consultas Operatórias	Tempo de espera para marcação		
Centro de Saúde	Serviços de	Tempo de espera			

	Muele	Urgência	para atendimento		
		Consultas Externas	Tempo de espera para marcação		
		Consultas Operatórias	Tempo de espera para marcação	30 dias	15 dias
Tribunal Administrativo (SP/DF)		Visto do Tribunal Administrativo	Tempo de espera p atribuição	6 meses	30 dias
Serviços Provinciais de Registos e Notariado	Registo Civil	Registo de Civil	Tempo de espera p atribuição	1 dia	1 dia
	Registo Criminal	Registo criminal	Tempo de espera p atribuição	+ de 45 dias	1 dia
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	15 dias	8 dias
		Matrículas	percent de cobertura	98 percent	98.6 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	85 percent	100 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	≥ 60 dias	1 semana
Direcção Provincial de Indústria e Comércio	Balcão Único de Atendimento	Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	5 a 15 dias	1 a 5 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão	1 ano	15 dias nacionais ≥ 90 estrangeiros
Direcção Provincial de Plano e Finanças	Direcção Nacional da Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	12 meses	10 meses
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera	30 dias	15 dias



## 6. Província de Manica

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospital Provincial do Chimoió	Serviços de Urgência	Tempo de espera para atendimento	4 horas	30 min a 2 horas
		Consultas Externas	Tempo de espera para marcação	6 a 8 meses	3 meses
		Consultas Operatórias	Tempo de espera para marcação	4 a 5 meses	1 mês e meio
Tribunal Administrativo (SP/DF)		Visto do Tribunal Administrativo	Tempo de espera p atribuição	30 a 90 dias	30 dias
Serviços Provinciais de Registos e Notariado	Registo Civil	Registo de Civil	Tempo de espera p atribuição	Registo civil 15 a 30 dias	30min a 1 hora
	Conservatória do Registo Civil e Notariado	Registo criminal	Tempo de espera p atribuição	45 a 60 dias	3 a 7 dias
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	30 dias	11 a 7 dias
		Matrículas	percent de cobertura	100 percent	100 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	100 percent	100 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	60 dias	15 a 60 dias
Direcção Provincial de Indústria e Comércio	Balcão Único de Atendimento	Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	45 dias	1 a 6 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão	3 meses	45 dias a 3 meses
Direcção Provincial de Plano e Finanças	Departamento de Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	3 meses	45 dias a 3 meses
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera		

## 7. Província de Niassa

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospital Provincial de Lichinga	Serviços de Urgência	Tempo de espera para atendimento	03 horas	25 minutos
		Consultas Externas	Tempo de espera para marcação	30 dias	9 dias
		Consultas Operatórias	Tempo de espera para marcação	30 dias	12 dias
Tribunal Administrativo (SP/DF)		Visto do Tribunal Administrativo	Tempo de espera p atribuição	4 meses	30 dias
Serviços Provinciais de Registos e Notariado	Registo Civil	Registo de Civil	Tempo de espera p atribuição		
	Conservatória do Registo Civil e Notariado	Registo criminal	Tempo de espera p atribuição	15 a 30 dias	3 a 7 dias
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição	45 dias	15 dias
		Matrículas	percent de cobertura	75 percent	98 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	80 percent	99 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	30 dias	2 dias
Direcção Provincial de Indústria e Comércio	Balcão Único de Atendimento	Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	8 dias	2 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão	85 dias	80 dias
Direcção Provincial de Plano e Finanças	Departamento de Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	12 meses	5 meses
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera		

## 8. Província de Maputo

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Não tem hospital provincial	Serviços de Urgência	Tempo de espera para atendimento		
		Consultas Externas	Tempo de espera para marcação		
		Consultas Operatórias	Tempo de espera para marcação		

Tribunal Administrativo (SP/DF)		Visto do Tribunal Administrativo	Tempo de espera p atribuição	45 a 90 dias	30 dias
Serviços Provinciais de Registos e Notariado	Registo Civil	Registo de Civil	Tempo de espera p atribuição	30 dias	2 a 3 horas
	Conservatória do Registo Civil e Notariado	Registo criminal	Tempo de espera p atribuição	30 dias	5 dias
Direcção Provincial de Educação e Cultura		Emissão de certificados	Tempo de espera p atribuição		
		Matrículas	percent de cobertura	100 percent	100,2 percent
		Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	100 percent	100 percent
Direcção Provincial de Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	Mais de 60 dias	20 dias
Direcção Provincial de Indústria e Comércio	Balcão Único de Atendimento	Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	5 meses	3 a 7 dias
Direcção Provincial da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão	3 meses	40 a 45 dias
Direcção Provincial de Plano e Finanças	Departamento de Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	3 meses	25 dias
Direcção Provincial de O.P. Habitação		Licenciamento de empreiteiros	Tempo de espera	45 dias	15 dias

## 9. Província de Cabo Delgado

SECTOR	UNIDADE ORGÂNICA	SERVIÇOS	Indicador	Baseline 2006	Situação 2008
Saúde	Hospital Provincial Pemba	Serviços de Urgência	Tempo de espera para atendimento	2 horas	20 mn
	Hospital Provincial Pemba	Consultas Externas	Tempo de espera p marcação	14 dias	7 dias
	Hospital Provincial Pemba	Consultas Operatórias	Tempo de espera p marcação	30 dias	15 dias
Tribunal Administrativo		Visto do Tribunal Administrativo	Tempo de espera p atribuição		
DP da Justiça	Registo Civil	Registo de Civil		72 horas	24 horas
	Registo Criminal	Registo criminal	Tempo de espera p	90 dias	3 dias

			atribuição		
DP da Educação e Cultura	Escola Secundaria de Pemba	Emissão de certificados	Tempo de espera p atribuição	7 diaS	3 dias
	Escola Secundaria de Pemba	Matrículas	percent de cobertura	98 percent	130 percent
	DPEC	Distribuição do Livro escolar de distribuição gratuita	percent de cobertura das escolas	100 percent	100 percent
DP dos Transportes e Comunicações	Serviços de Viação	Emissão de carta de condução	Tempo de espera p emissão de carta	24/72 horas	-24/-72 horas
DP da Indústria e Comércio	BAU	Licenciamento e certificação da actividade comercial e industrial	Tempo de espera para emissão de licenças	23 dias	4 dias
DP da Agricultura	Direcção Nacional de Geografia e Cadastro	Emissão do DUAT	Tempo de espera para emissão	90 DIAS	90 DIAS
DP Plano das Finanças	Direcção Nacional da Contabilidade Pública	Fixação das pensões de aposentação	Tempo de espera para fixação de pensões	Processos tramitados Centralmente	Processos tramitados Centralmente
DPOPH		Licenciamento de empreiteiros	Tempo de espera	30 dias	15 dias

Source: Republic of Mozambique: 2012a.

## **Annex C. List of Persons Met**

### **In Washington, DC (including teleconferences)**

Alwahti, Ali Y. DFPF TTL  
 Andrews, Matt – Consultant, Public Financial Management for Results Program.  
 Carroll, Allan – DFPF TTL prior to appraisal  
 De Renzio, Paolo – Independent researcher  
 Fernandez-Ansola, Juan Jose, Consultant, CASCR Review Mozambique, 2012  
 Garnett, Harry, PSRP TTL at appraisal  
 Kuper, Kate - DFPF TTL  
 Lefebvre, Anne-Lucie – PSRP TTL after completion  
 Pomerance, Phyllis - Professor, Duke University; former CD until 2000, Zambia  
 Mozambique.  
 van Holst Pellekaan, Jack - Consultant, member of Mozambique CAE team

### **In Mozambique**

#### **Government**

Alberto, Manuel Rodrigues – National Director, National Directorate of Municipal Development, Ministry of State Administration  
 Antonio, Rui – Provincial Technical Team, Sofala Province  
 Banze, Olegario dos Angos – National Deputy – Director, National Directorate for Promotion of Rural Development, Ministry of State Administration  
 Belessone, Ana - District Administrator, Tsangano District, Tete Province  
 Carlos, Tenday – Provincial Technical Team, Sofala Province  
 Coanai, Miguel Taembera – Director of Maintenance, National Road Administration  
 Costa, Ana Virgilio da silva - Permanent Secretary, Nhamatanda District, Sofala Province  
 Erskog, Hans – Senior Financial Analyst, Ministry of Environmental Coordination  
 Fonseca, Maria de Lurdes de – Provincial Director, Provincial Directorate of Planning and Finance, Tete Province  
 Grachane, Cecilio – Director General, National Road Administration  
 Jutha, Momad Piaraly – National Director, National Directorate of Planning, Ministry of Planning and Development  
 Lambo, Domingos – National Director, National Director of Social Welfare, Ministry of Finance  
 Lubrino, Grilo – National Director of Studies and Administrative Procedures, Ministry of Public Service  
 Mafunga, Adeline – Permanent Secretary, Chiuta District, Tete Province

Moiana, Sergio Sional - District Administrator, Nhamatanda District, Sofala Province

Motsinhe - Civil Engineer, National Directorate of Buildings, Ministry of Public Works and Housing

Mucudos, Custudio dos – Head NDPFP Project Implementation Unit, National Directorate of Planning, Ministry of Planning and Development

Nhahingo, Antonio, Vice President of the Tete Provincial Assembly

Nhmatande, District Administrator, Nhamatanda District, Sofala Province

Nyangwni, Raphael M - Education Director Nhamatanda District, Sofala Province

Sakut, Ibrahim Abdul – accounts specialist, Ministry of State Administration

Soca, Brito Antonio – Civil Engineer, National Directorate of Buildings, Ministry of Public Works and Housing

Somane, Elisa Arissone G. – Provincial Permanent Secretary, Provincial Secretariat, Province of Sofala

Tui, Atalia - Director Finance and Planning, Sofala Province

Vasquez, Ivan – Chief Technical Advisor, National Directorate for Promotion of Rural Development, Ministry of State Administration

Zambeze, Francisca Alberto - Permanent Secretary, Changara District, Tete Province

### **Civil Society and Private Sector**

Aefimar, Antonio Augusto - Nhamatanda District Council, Sofala Province

Banze, Felix A.- Executive Director, APDCOMA

Dava, Lourino – Program Coordinator, Center for Public Integrity

Faekm Baltazar Jorge – Researcher, Center for Public Integrity

Mabunda, Antonio Albino – Managing Director, AM International Procurement

Macuane, Jose – Political analyst, UNDP and DfID consultant

Munhequete, Aida – Interpreter

Nkamate, Salvador - Liga Moçambicana dos Direitos Humanos (Mozambican Human Rights League) <http://www.ldh.org.mz>

Osman, Magid – Owner, Lex Mozambique (former Finance Minister)

Development Partners

Antonopoulou, Fotini – Attache, European Union

Barnes, John – Technical Advisor, UNDP

Bronselaer, Dirk – Sr. Procurement Specialist, World Bank

Bruschi, Francesca – Policy Analyst, Italian Cooperation

Chamuco, Antonio L. – Sr. Procurement Specialist, World Bank

Figueiredo, Carlos Mauricio Cabral – Expert on Supreme Audit Institutions, Decentralization Program, GIZ

Hawkins, Peter – Sr. Water and Sanitation Specialist, World Bank

Imparato, Ivo - TTL, National Decentralized Planning and Finance Program

Ising, Josef – Program Director, Decentralization Program, GIZ

Karlsen, Anders B. – Head of Cooperation, Royal Danish Embassy

Lefebvre, Anne-Lucie – Sr. Public Sector Specialist, World Bank

Malate, Amos – Procurement Analyst, World Bank

Mason, Jocelyn T. – Country Director, UNDP

Raich, Uri - TTL Mozambique Urbanization and Municipal Development Project and NDPFP (successor to Imparato)

Saleem, Furqan Ahmad – Sr. Financial Management Specialist, World Bank

Ulens, Wim – Attache, European Union

Verissimo, Patrick – Sr. Sector Economist, World Bank

Vilissa, Datto – Analyst, Royal Danish Embassy

## Annex D. Government Comments



República de Moçambique ¶

Ministério da Função Pública ¶

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¶

Comments on the Project Performance Assessment Report ¶

Presented by IEG Public Sector Evaluation ¶

.....Page Break..... ¶



The Government of Mozambique has been invited to comment on the Project Performance Assessment Report (PPAR), submitted by the IEG Public Sector Evaluation. The Above-mentioned PPAR refers to the Public Sector Reform Project which was implemented by the Government of Mozambique under financial and technical support from the World Bank in the period from March 2003, to Dec 31, 2009.¶

As stated in the report, IEG has the mandate to review the integrity of Bank's Self-evaluation process and to verify that the Banks work in producing the expected results is being achieved and secondly to help develop improved directions, policies and procedures.¶

The Government thanks the Bank for availing this opportunity and proceeds with its comments following the report structure.¶

Before getting into the specifics we would like to note the following regarding some methodological issues.¶

¶

#### **Methodological Issues¶**

The Government recognizes the overall strength of the evaluation methodology as outlined briefly in the report and support by the longstanding practice of IEG in conducting these studies with the purpose of informing Banks Senior Leadership and Management. However in this particular case we would like to address the following concerns:¶

#### **Timing of review¶**

1<sup>st</sup> the project has been closed for almost 5 years now (31<sup>st</sup> Dec. 2009). While some objective records can and have been used for the assessment, a substantial amount of qualitative data obtained via informants may have been contaminated by multiple and dynamic events that have taken place since project closure and to our understanding this weakens the ability of informants to be objective and to focus strictly on project performance issues since they will be operating on remote recollections of what is was back then;¶

2<sup>nd</sup>. Since the project continued its implementation after the WB component ended, perceptions may also be contaminated by post-project impacts, moving project evaluation from project performance appraisal to a kind of impact assessment;¶

3<sup>rd</sup>. While we understand the reasons for the evaluation, which complies with a key policy from the World Bank, we question its worth after 5 years. Rather, an impact assessment would be the candidate exercise (given the time lapse), as it would reveal the extraordinary outcomes achieved in the components funded by the project as they will be described later in this document;¶

4<sup>th</sup>. The Government (Ministry of Public Service) regrets that this exercise was conducted without its formal knowledge, and feels that more senior officials should have been interviewed, including those directly involved in project implementation for the benefit of a deeper insight of the issues;¶

5<sup>th</sup>. The general readers of the report would also benefit from knowing what the evaluation questions were.¶

¶

Next, we present our comments section by section ¶

**1.→ Background and context ¶**

No Comments ¶

**2.→ Objectives, Design and Their Relevance ¶**

¶  
We agree that objectives and Design were substantially relevant since they reflect both main country policies and development directions as well as Banks Country Strategy ¶

¶  
**Design ¶**

The outline presented accurately indicates the actual project design and its subsequent restructuring phases and we respect the views of the evaluation regarding the rating. ¶

**3.→ Implementation ¶**

No comments ¶

**4.→ Achievement of Objectives ¶**

The Government agrees on IEG's views/rating of a substantial achievement of Objectives, corroborating the efficacy of the project in achieving intended goals. ¶

¶  
The discussion of contextual factors that may have affected achievement (section 4.20-4.21, 4.22) seems to be highly speculative and for that reason they should not be in the report unless they are supported by hard credible evidence. ¶

**5.→ Efficiency ¶**

The government agrees with the rating of modest efficiency, when taking into consideration time planned and actual time to completion of project implementation. ¶ However, some of the outlined factors (design and implementation) are questionable. ¶

¶  
**Non-prioritised agenda ¶**

The Interministerial Commission for Public Sector reforms (CIRES) approved annually the action plan for reforms, setting up government agenda. CIRES quarterly reports were always approved and recommended on by the Council of Ministers on a quarterly basis. This feature has evolved to the point that currently reforms are part of the Planning and Monitoring Cycle of Government. ¶

¶  
**Lack of political guidance from senior levels of government ¶**

The Government has always provided high level guidance and oversight to reforms ¶ The creation of the National Authority for Public Service and Subsequently the Ministry of Public Service is a living example of Government Commitment to accelerate reforms: providing reforms with a Central Government Entity to provide oversight and guidance while maintaining UTRESP as a Technical wing. This arrangement proved to be productive. ¶

1<sup>st</sup>-UTRESP was a temporary arrangement and its existence conditioned to donor funding; in addition it presented challenges to Government capacity building, since most of its staff were on a contract basis; ¶

2<sup>nd</sup>-A ministry presented the Government with an operational and Leadership arm with access to the very highest levels of leadership in the Government including CABINET (where UTRESP had no access and where the Prime Minister does not endorse dossiers) assisting CIRES in guiding reforms. Without a Ministry to oversee reforms complex dossiers that require adequate political power would never be achieved such as pay policy, decentralization, Revision of Statute of Public Servants just to mention a few. ¶

#### **Political Influence of UTRESP Staff ¶**

Is not clear what is meant by political influence of UTRESP Staff, since UTRESP staff were recruited under open tender and followed the agenda approved by Government ¶

### **6.-> Ratings ¶**

#### **Outcome ¶**

The Government respects the views of the evaluator, on a **Moderately Satisfactory** Rating to this category. However, as mentioned earlier the post implementation achievements come to play in the evaluator's assessment as stated in section 6.2 ¶

¶

This is so when analyzing the next item, Risk to Development ¶

#### **Risk to Development Outcome ¶**

The reason for the **Significant** rating attributed to this criteria is theoretical, under the assumption that there is poor political commitment. This is simply not true. In fact ¶ besides the creation of the Ministry of Public Service charged with political guidance and oversight of reforms the following events prove the high political commitment the government attributes to Reforms and the sustainability of initiatives started under the Banks program: ¶

- 1.-> In 2006 the Government approved Fase II of reforms, building on previous reforms and highly endorsed by the President of the Republic who coined personally the Motto: "O Funcionário a Servir melhor o Cidadão", emphasizing the need for service delivery improvement; ¶
- 2.-> Implementation of reforms gained substantial momentum in the country so that Reforms and Service delivery are active vocabularies in all societal spheres; ¶
- 3.-> A great effort has been undertaken to align reforms with main planning and monitoring instruments, such as the Five year Government Plan and Agenda 20/25; ¶
- 4.-> Has a consequence of its commitment to reforms, Mozambique hosted several international events hosted by the Commonwealth and participated actively has a **Repartoir** within the Conference of African Ministries for Public Service; ¶
- 5.-> Mozambique was awarded international awards from prestigious international organizations, namely UNPM in 2008 (Human Resources Management) and 2011 (Online Regional Center Award for Commitment to Knowledge Management and Outstanding Performance in Knowledge Management respectively); including the doing business index; ¶
- 6.-> Since the creation of MFP the president hosted annually an event related to reforms; ¶

- 7.→Of those, the president hosted bi-annually the National Conference of Good Practices in Public Administration and Management, where best practices received awards; ¶
- 8.→CIRESP continued to operate as the political and technical oversight for reforms; ¶
- 9.→A new strategy for public administration and reforms have been approved which emphasizes continuity of initiatives started under PRSP project while encouraging sector ownership in terms of implementation. This has led to deepening of reforms, most of which initiated under the Banks project, as follows: ¶

¶

#### **Restructuring and Service Delivery Improvement: ¶**

.....Approval and implementation of an Integrated Structure for District Government; ¶

.....Expansion of municipalities from 44 to 53; ¶

.....Improved service delivery within Autoridade Tributária (Tax Authority); ¶

Improved Service delivery (Janela Única) initiatives e.g. issues of passports, IDs-cards, drivers licenses, registration of new companies etc; ¶

Improved and expansion to districts of One-Stop-Shops; ¶

Approval and Issuance of Service Delivery Charts in all sectors setting up mission and quality standards for service provision; ¶

Introduction of citizen's assessment of service delivery capacity in One-Stop-Shops; ¶

Reengineering of key service delivery in order to simplify, reducing time and cost of provision, for example the reengineering of Licensing procedure for business registration; ¶

Approval of Organic Statutes of All sectors has a results of functional reviews which recommended the best organizational framework to fit the mission and strategic objectives of organizations. ¶

¶

#### **Professionalization ¶**

Implementation of the New Personnel Information System (SIP) which allowed for the regularly production of the Bi-Annual statistics on Public Servants; ¶

Approval of a pay policy and electronic payment of salaries (eFolha), with incentives to deploy staff at the local level; ¶

Introduction of a new performance management system; ¶

Introduction of meritocracy criteria for the recruitment of senior leadership for public service (permanent secretaries); ¶

Expansion of the System for Training Public Servants (SIFAPE) and Leaders which has contributed to significant change in the Pyramid of qualifications of public servants; ¶

Approval and implementation of key strategic management policies for Public servants, such as, the gender and HIV/AIDS policies. The gender strategy has led to the increase of gender balance from 33% (2007) to the current 38%.

Professionalization of Human Resources Management through the creation of human resources fora at all levels (national, provincial and district levels);

Approval by Parliament of the Civil servants bill.

¶

#### **Governance**

Approval and implementation of a revised anti-corruption strategy whereby all sectors are required to implement an anti-corruption strategy based on a preliminary context analysis of its own situation;

Approval and implementation of a legal anti-corruption package by parliament to complement the existing one;

Strengthening reforms in the legal sector, and internal control, namely the role of Administrative Tribunal, General Inspectorate for Public Service and General Inspectorate for Finances;

The creation of the Central Cabinet for the Fight Against Corruption;

The decentralization of Administrative Tribunal into the provinces;

The Opening of Attorneys General Offices in the Districts

Introduction of a new financial management system (SISTAFE)

¶

On the basis of above consideration the Government proposes an improvement on this rating.

We also propose that section 6.5 is dropped since is quite speculative and not based in hard evidence.

¶

#### **7.→ Bank Performance**

¶

We respect the views of the evaluators in this category. However, note should be made that the project did benefit from substantial supervision from Banks side including technical assistance from various experts who brought international best practices to the project.

We felt that probably the most significant shortcoming was the lack of a robust M&E system from the beginning.

¶

#### **8.→ Borrower Performance**

Some comments on section 6.10 need clarification:

**“Lack of guidance from political leadership”**

- This issue has already been discussed.

**“Moving UTRESP away from the Inter-Ministerial Commission for Reforms (CIRESP) which reported Directly to the President” ¶**

- CIRESP reports to CABINET. All its reports, proposals and initiatives are cleared by CABINET. ¶
- UTRESP has never been in CIRESP in Organizational Terms. In fact the Decree that creates CIRESP and subsequently UTRESP indicates that UTRESP acts as the Secretariat of CIRESP and we understand functionally and not statutory. ¶
- After the creation of Public Service Ministry UTRESP continued to perform its secretarial role within CIRESP however under the added guidance and power of the Ministry of Public Service. ¶

¶

**9.→ Monitoring and Evaluation ¶**

As mentioned earlier, we concur with the issue regards monitoring and evaluation and our comments on political commitment have also been advanced before. ¶

**10.→ Lessons ¶**

**Lesson 7.1 ¶**

Based on our previous comments we would proposed the following addition/restructuring of comments: ¶

Public sector reforms operations need to consider sustainability of political commitment from the country’s leadership. Political commitment.....inclusive citizen participation, etc. to add: In some contexts as is the case of Mozambique structural changes in the government management may cause transitional constraints which may mimic poor commitment. Such events need to be considered carefully and appropriate mitigation should be discussed with the borrower. ¶

**Lesson 7.2 ¶**

Our lesson is that, legal reforms, due to the very nature of independence of the legal sector must preferable be designed and implemented in a way that ownership from the main actors is ensured: these reforms need to be endogenous to the systems. ¶

¶

**Lesson 7.4 ¶**

We think that the objective fact is that the project did not have a proper M&E. The lesson is obvious: Bank projects need to ensure all projects have a robust M&E system from the onset. ¶

¶

In conclusion, the Government has reservations on the findings expressed in the report as indicated in the comments above. ¶