Political Economy of Decentralisation in Mozambique

Dynamics, Outcomes, Challenges

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Contents

Acronyms viii
Maps, Figures and Tables xiii
Preface xvi
Acknowledgements, Sources and Disclaimer xviii

PART I: Introduction
  1 Research Approach and Methodology 3
    1.1 Research Approach: Power and Change Analysis 3
    1.2 Research Methods and Fieldwork 6
    1.3 Limitations 7
  2 Conceptual Framework and Terminology 8
    2.1 Decentralisation: A Secular Trend to Consolidate Power? 8
    2.2 Decentralisation: A Way to Settle Conflicts and Strengthen Fragile States? 11
    2.3 Terminology 16

PART II: Power and Change Analysis
  A Foundational Factors 25
    1 Territory and Land 25
      1.1 Territorial Division 25
      1.2 Land 27
    2 Economy 31
    3 Political-Administrative System 36
      3.1 Public Administration 36
      3.2 Local Government and Communities 40
      3.3 O Estado 42
    4 Frelimo 44
      4.1 A Foundational Movement Turned Political Party 44
      4.2 Politics, Economy and Power 47
    5 Conclusions 49
  B Decentralisation: The Rules of the Game 53
    1 Introduction 53
    2 Decentralisation: Legislative and Policy Framework – an Overview 56
      2.1 Institutional Framework and Forms of Decentralisation 56
      2.2 Decentralisation Strategy and Gradualism 58
      2.3 Main Events and Timeline 59
      2.4 Redefining the Scope: Further Legislation 60
      2.5 Redrawing of Municipal Boundaries? 62
      2.6 Outcomes 63
    3 Devolution or Democratic Decentralisation? Municipalities 64
      3.1 Introduction 64
      3.2 Municipal Elections 64
<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3 Functions and Resources</td>
</tr>
<tr>
<td>3.4 International Support</td>
</tr>
<tr>
<td>4 Deconcentration/Administrative Decentralisation: OLEs</td>
</tr>
<tr>
<td>4.1 Institutional Framework</td>
</tr>
<tr>
<td>4.2 Changes Observed</td>
</tr>
<tr>
<td>4.3 International Support</td>
</tr>
<tr>
<td>5 Fiscal Decentralisation</td>
</tr>
<tr>
<td>5.1 Introduction</td>
</tr>
<tr>
<td>5.2 OLE Fiscal Resources (1): Focus on Districts</td>
</tr>
<tr>
<td>5.3 The District Development Fund</td>
</tr>
<tr>
<td>5.4 OLE Fiscal Resources (2): Focus on Provinces</td>
</tr>
<tr>
<td>5.5 Municipal Finances</td>
</tr>
<tr>
<td>5.6 Towards an Integrated Intergovernmental Fiscal System including Revenue from Land Use and Mineral Extraction?</td>
</tr>
<tr>
<td>6 Informal Rules of the Game: The Open and Inclusive Presidency Aberta</td>
</tr>
<tr>
<td>7 Conclusions</td>
</tr>
<tr>
<td>7.1 Triggers of Decentralisation</td>
</tr>
<tr>
<td>7.2 Critical Juncture and Path Dependency</td>
</tr>
<tr>
<td>7.3 Conflictual Coexistence of Devolution and Deconcentration</td>
</tr>
<tr>
<td>7.4 Fiscal Decentralisation with Limited Resource Transfer</td>
</tr>
<tr>
<td>7.5 Limited Local Service Delivery Capacity</td>
</tr>
<tr>
<td>7.6 Need for a New Reform Initiative?</td>
</tr>
<tr>
<td><strong>C Here and Now: The Current Context</strong></td>
</tr>
<tr>
<td>1 Economic Context and Outlook</td>
</tr>
<tr>
<td>1.1 Odious Debt and Unsustainable Debt Burden</td>
</tr>
<tr>
<td>1.2 Fiscal and Economic Consequences</td>
</tr>
<tr>
<td>1.3 Impact on Municipalities</td>
</tr>
<tr>
<td>1.4 Economic and Fiscal Crises: A Critical Juncture</td>
</tr>
<tr>
<td>2 Political Context: A ‘Second Civil War’ or a Failed Political Settlement?</td>
</tr>
<tr>
<td>2.1 Internal Peace Agreement Negotiated in 2014 – and Violated in 2015</td>
</tr>
<tr>
<td>2.2 Failing Peace Agreements</td>
</tr>
<tr>
<td>2.3 Proposal for Autonomous Provinces</td>
</tr>
<tr>
<td>2.4 2016 and 2017: Renewed Peace Negotiations</td>
</tr>
<tr>
<td>2.5 Conclusions</td>
</tr>
<tr>
<td><strong>PART III: Stakeholders in Decentralisation</strong></td>
</tr>
<tr>
<td>1 Introduction</td>
</tr>
<tr>
<td>2 Macro-Level Key National Institutions</td>
</tr>
<tr>
<td>2.1 Ministry of State Administration and Public Service</td>
</tr>
<tr>
<td>2.2 Ministry of Economic Affairs and Finance</td>
</tr>
<tr>
<td>2.3 Ministry of Land, Environment and Rural Development</td>
</tr>
<tr>
<td>2.4 Sector Ministries</td>
</tr>
</tbody>
</table>
2.5 Institutions of Oversight, Inspections and Internal and External Control 165
2.6 Parliament (Assembleia da República) 169
2.7 National Association of Mozambican Municipalities 174

3 Meso-Level: The Provinces 176
3.1 Provincial Governments 176
3.2 Provincial Assemblies 177
3.3 Civil Society and Provincial NGO Platforms 179

4 Local Level 181
4.1 District Administrations 181
4.2 Municipalities 183
4.3 Community Leaders 184

5 Thematic International Development Partners 185

6 Private Sector and Decentralisation 186
6.1 Private Sector Associations 187
6.2 Foreign Direct Investment and Local Governments: Case Studies of Cabo Delgado Province 189

7 Local Economic Development, Elite Capture and Externalities 197

8 Drivers and Restrainers of Decentralisation 199
8.1 A Ranking Exercise 199
8.2 Incentives and Disincentives 202

**PART IV: Insights and Conclusions** 205
1 Dynamics and Outcomes 205
2 Scenarios for Decentralisation 208
3 Concluding Remarks: Peacebuilding and State Consolidation through Decentralisation? 212

*Appendix* 216
*Bibliography* 217
## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3CP</td>
<td>Cities and Climate Change Programme (see: PCMC)</td>
</tr>
<tr>
<td>ADE</td>
<td>Apoio Directo à Escola (Direct School Subsidy)</td>
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<tr>
<td>AICE</td>
<td>Access to Information and Citizens’ Engagement</td>
</tr>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<tr>
<td>AM</td>
<td>Assembleia Municipal (Municipal Assembly)</td>
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<tr>
<td>ANAMM</td>
<td>Associação Nacional de Municípios Moçambicanos (National Association of Mozambican Municipalities)</td>
</tr>
<tr>
<td>AP</td>
<td>Assembleia Provincial (Provincial Assembly)</td>
</tr>
<tr>
<td>AR</td>
<td>Assembleia da República (National Parliament)</td>
</tr>
<tr>
<td>ATM</td>
<td>Autoridade Tributária de Moçambique (Mozambican Tax Authority)</td>
</tr>
<tr>
<td>BRICS</td>
<td>Brazil, Russia, India, China and South Africa</td>
</tr>
<tr>
<td>CB</td>
<td>Concessional Borrowing</td>
</tr>
<tr>
<td>CC</td>
<td>Conselho Constitucional (Constitutional Council)</td>
</tr>
<tr>
<td>CDG</td>
<td>Conta de Gerência (Municipal Annual Account)</td>
</tr>
<tr>
<td>CE</td>
<td>Conselho da Escola (School Council)</td>
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<tr>
<td>CEDSIF</td>
<td>Centro de Desenvolvimento de Sistemas de Informação de Finanças (Development Centre of Financial Information Systems)</td>
</tr>
<tr>
<td>CEP</td>
<td>Conselho Empresarial Provincial (Provincial Enterprise Council)</td>
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<tr>
<td>CFM</td>
<td>Caminhos de Ferro de Moçambique (Mozambican Railways and Ports)</td>
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<tr>
<td>CGE</td>
<td>Conta Geral do Estado (Annual State Accounts)</td>
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<tr>
<td>CIP</td>
<td>Centro de Integridade Pública (Centre for Public Integrity)</td>
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<tr>
<td>CM</td>
<td>Conselho Municipal (Municipal Council)</td>
</tr>
<tr>
<td>CNE</td>
<td>Comissão Nacional de Eleições (National Electoral Commission)</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>CSP</td>
<td>Cuidados de Saúde Primários (Primary Health Care Centres)</td>
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<tr>
<td>CSS</td>
<td>Cuidados de Saúde Secondários (Secondary Health Care Centres)</td>
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<tr>
<td>CTA</td>
<td>Confederação das Associações Económicas de Moçambique (National Confederation of Mozambican Business Associations)</td>
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<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
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<tr>
<td>DATA</td>
<td>Departamento de Administração Territorial e Autarquica (Department of Territorial and Municipal Administration)</td>
</tr>
<tr>
<td>DNAL</td>
<td>Direção Nacional de Administração Local (National Directorate of Local Administration)</td>
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<tr>
<td>DNDA</td>
<td>Direção Nacional de Desenvolvimento Autarquico (National Directorate of Municipal Development)</td>
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<tr>
<td>DNPO</td>
<td>Direção Nacional do Plano e Orçamento (National Directorate of Planning and Budget)</td>
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<tr>
<td>DNT</td>
<td>Direção Nacional do Tesouro (National Treasury Directorate)</td>
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<tr>
<td>DNTF</td>
<td>Direção Nacional de Terras e Florestas (National Directorate of Land and Forests)</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>DPOPHRH</td>
<td>Direcção Provincial de Obras Publicas, Habitação e Recursos Hídricos (Provincial Directorate for Public Works, Housing and Water Resources and Water Affairs)</td>
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<tr>
<td>DPPF</td>
<td>Direcção Provincial de Plano e Finanças (Provincial Directorate for Planning and Finance)</td>
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<tr>
<td>DPS</td>
<td>Direcção Provincial de Saúde (Provincial Health Directorate)</td>
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<tr>
<td>DUAT</td>
<td>Direito de Uso e Aproveitamento da Terra (Land Use Title Deed)</td>
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<tr>
<td>EDM</td>
<td>Electricidade de Moçambique (Mozambican electricity utility)</td>
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<tr>
<td>EMATUM</td>
<td>Empresa Moçambicana de Atum (Mozambican Tuna Fishing Enterprise)</td>
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<tr>
<td>EMOCHM</td>
<td>Equipa Militar de Observadores Internacionais da Cessação das Hostilidades Militares (Military Team of International Observers of the Cessation of Hostilities)</td>
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<tr>
<td>ENH</td>
<td>Empresa Nacional de Hidrocarbonetos (National Hydrocarbon Company)</td>
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<tr>
<td>ENHILS</td>
<td>ENH Integrated Logistics Service</td>
</tr>
<tr>
<td>FCA</td>
<td>Fundo de Compensação Autárquico (Municipal Equilibration Fund)</td>
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<tr>
<td>FDD</td>
<td>Fundo de Desenvolvimento Distrital (District Development Fund)</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FE</td>
<td>Fundo de Estradas (Road Fund)</td>
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<td>FIIA</td>
<td>Fundo de Investimento de Iniciativa Autárquica (Municipal Investment Fund)</td>
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<tr>
<td>FIPAG</td>
<td>Fundo de Investimento e Patrimônio de Abastecimento de Água (Water Supplies Investment and Asset Holding Company)</td>
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<tr>
<td>FOCADE</td>
<td>Fórum da Sociedade Civil em Cabo Delgado (Cabo Delgado Civil Society Forum)</td>
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<td>Frelimo</td>
<td>Frente da Libertação de Moçambique (Mozambique Liberation Front)</td>
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<tr>
<td>GDM</td>
<td>Grupo de Dívida Moçambicana (Mozambican Debt Group)</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GIZ</td>
<td>Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)</td>
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<tr>
<td>GPA</td>
<td>General Peace Agreement (Rome 1992)</td>
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<tr>
<td>GPG</td>
<td>General Purpose Grant</td>
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<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>IASISA</td>
<td>Imposto Autárquico de Sisa (Municipal Property Transaction Tax)</td>
</tr>
<tr>
<td>IAV</td>
<td>Imposto Autárquico de Veículos (Municipal Vehicle Tax)</td>
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<tr>
<td>IDP</td>
<td>International Development Partner</td>
</tr>
<tr>
<td>IESE</td>
<td>Instituto de Estudos Sociais e Económicos (Institute for Social and Economic Studies)</td>
</tr>
<tr>
<td>IGF</td>
<td>Inspeção-geral das Finanças (General Financial Inspectorate)</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>INE</td>
<td>Instituto Nacional de Estatística (National Statistics Institute)</td>
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<tr>
<td>IPRA</td>
<td>Imposto Predial Autárquico (Municipal Property Tax)</td>
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</table>
ISPC  *Imposto Simplificado para Pequenos Contribuintes* (Tax on informal economic activity)

JC  *Joint Commission* (peace negotiations)

KfW  *Kreditanstalt für Wiederaufbau* (German Development Bank)

LAM  *Linhas Aéreas de Moçambique* (Mozambican Airlines)

LAO  Limited Access Order

LEBOFA  *Lei de Base de Organização e Funcionamento da Administração Pública* (Basic Law on the Organisation and Functioning of the Public Administration)

LED  Local Economic Development

LNG  Liquefied Natural Gas

LOLE  *Lei dos Órgãos Locais do Estado* (Law on Local Units of the Central State Administration)

MAE  *Ministério de Administração Estatal* (Ministry of State Administration)

MAEFP  *Ministério de Administração Estatal e Função Pública* (Ministry of State Administration and Public Service)

MAM  Mozambique Asset Management

MCA  Millennium Challenge Account

MDM  *Movimento Democrático de Moçambique* (Democratic Movement of Mozambique)

MPD  *Ministério da Planificação e Desenvolvimento* (Ministry of Planning and Development)

MEF  *Ministério de Economia e Finanças* (Ministry of Economic Affairs and Finance)

MFP  *Ministério da Função Pública* (Ministry of Public Service)

MICOA  *Ministério da Coordenação da Acção Ambiental* (Ministry of Environmental Action Coordination)

MISAU  *Ministério de Saúde* (Ministry of Health)

MITADER  *Ministério da Terra, Ambiente e Desenvolvimento Rural* (Ministry of Land, Environment and Rural Development)

MOPHRH  *Ministério de Obras Publicas, Habitação e Recursos Hídricos* (Ministry of Public Works, Housing and Water Resources)

MP  Member of Parliament

MT  Mozambican Metical

NCB  Non-Concessional Borrowing

NGO  Non-Governmental Organisation

NHS  National Health Service

NODAEC  *Normas de Organização e Direcção do Aparelho de Estado Central* (Norms on Organisation and Leadership of Central State Apparatus)

OAO  Open Access Order

OE  *Orçamento do Estado* (State Budget)

OECD  Organisation of Economic Cooperation and Development
OIIL  
*Orçamento de Investimento de Iniciativa Local* (Budget for Local Investment Initiatives)

OLE  
*Órgãos Locais do Estado* (Local Units of the Central State Administration)

OSR  
Own-Source Revenue

PAI  
*Presidência Aberta e Inclusive* (Open and Inclusive Presidency)

PAO  
*Plano Annual de Actividades e Orçamento* (Municipal Action Plan and Budget)

PAP  
Programme Aid Partners

PARPA  
*Programa Acelerado da Redução da Pobreza* (Poverty Reduction Action Plan)

PCA  
Power and Change Analysis

PCD  
Portos de Cabo Delgado (Cabo Delgado Ports)

PCMC  
*Programa de Cidades e Mudanças Climáticas* (Cities and Climate Change Programme) (see: 3CP)

PDD  
*Projecto de Descentralização e Democratização* (Decentralisation and Democratisation Project)

PDUT  
*Plano Distrital de Utilização de Terra* (District Land Use Plan)

PEA  
Political Economy Analysis

PEDD  
*Plano Estratégico de Desenvolvimento Distrital* (Strategic District Development Plan)

PEND  
*Política e Estratégia Nacional de Descentralização* (National Policy and Strategy of Decentralisation)

PERPU  
*Programa Estratégico de Redução da Pobreza Urbana* (Strategic Urban Poverty Reduction Programme)

PES  
*Plano Económico e Social* (Economic and Social Plan)

PESOD  
*Plano Económico Social e Orçamento Distrital* (District Social-Economic Plan and Budget)

PFM  
Public Finance Management

PNPFD  
*Programa Nacional de Planificação e Finanças Descentralizadas* (National Decentralised Planning and Finance Programme)

PPFD  
*Programa de Planificação e Finanças Descentralizadas* (Programme of Decentralised Planning and Finance)

PRODIA  
*Programa de Desenvolvimento Integrado para as Autarquias e as Zonas Rurais Circunjacentes* (Integrated Development Programme for Municipalities and Surrounding Rural Areas)

PPIAF  
Public-Private Infrastructure Advisory Facility

PPOSC  
*Plataforma Provincial das Organizações da Sociedade Civil* (Provincial Platform of Civil Society Organisations)

PPP  
Public-Private Partnerships

PRODEM  
*Programa de Desenvolvimento Municipal* (Programme for Municipal Development in northern and central Mozambique)

PS  
Permanent Secretary (*Secretário Permanente*)
PSR Public Sector Reform
REO Relatório de Execução do Orçamento (Budget Execution Report)
Renamo Resistência Nacional de Moçambique (National Resistance Movement)
SCO Swiss Cooperation Office
SDAE Serviços Distritais de Actividades Económicas (District Services of Economic Activities)
SDC Swiss Development Cooperation
SDSMAS Serviço Distrital de Saúde, Mulher e Acção Social (District Services for Health, Women and Social Welfare)
SDPI Serviço Distrital de Planificação e Infraestruturas (District Services of Planning and Infrastructure)
SGA Sistema de Gestão Autárquico (Municipal Financial Management System)
SGACA Strategic Governance and Corruption Analysis
SGM Sistema de Gestão Municipal (Municipal Financial Management System) [predecessor of SGA]
SIDA Swedish International Development Agency
SISTAfe Sistema de Administração Financeira do Estado (State Financial Administration System)
SME Small and Medium-sized Enterprises
SMoDD Sistema de Monitoria de Desenvolvimento Distrital (District Development Monitoring System)
SNTA Sub-National Technical Assistance
SOE State-Owned Enterprise
SPGC Serviços Provinciais de Geografia e Cadastro (Provincial Geographic and Cadastre Services)
TA Tribunal Administrativo (Administrative Tribunal)
TAE Taxa por Actividade Económica (Levy on Economic Activity)
TDM Telecommunicações de Mozambique (Mozambique Telecommunications)
UEM Universidade Eduardo Mondlane (Eduardo Mondlane University)
UFSA Unidade Funcional de Supervisão de Aquisições (Functional Unit for Supervision of Procurement)
UGB Unidade Gestora Beneficiária (Beneficiary Management Unit)
UGE Unidade Gestora Executiva (Executive Management Unit)
UGEA Unidade de Gestão Executiva de Aquisições (Procurement Management Unit)
UK United Kingdom
UN United Nations
UNDP United Nations Development Programme
UNICEF United Nations International Children's Emergency Fund
USAID United States Agency for International Development
US United States of America
US$ United States dollar
UTRESP Unidade Técnica da Reforma do Sector Público (Technical Unit for Public Sector Reform)
Maps, Figures and Tables

Map 1: Municipalities in Mozambique

Figure 1: Contribution by province to national revenue collection by ATM (averages 2007–2014) (%) 31
Figure 2: Electoral outcomes, 1994–2014 55
Figure 3: Structure of territorial administration 57
Figure 4: Total expenditure by level of public administration, 2008 and 2014 (%) 76
Figure 5: Per capita expenditure and per capita revenue by province, 2014 (MT) 83
Figure 6: Ratio per capita expenditure/per capita revenue by province (averages 2010–2014) (%) 84
Figure 7: Per capita expenditure and poverty levels by province 84
Figure 8: Transfers to municipalities as % of national fiscal revenue, 2006–2016 87
Figure 9: Matola: OSR, transfers, 2011–2014 (US$) 92
Figure 10: CM de Matola: Fiscal sustainability (%) 92
Figure 11: Manhiça: OSR, transfers, 2011–2014 (US$) 92
Figure 12: CM de Manhiça: Fiscal sustainability (%) 93
Figure 13: Municipal ratio of capital expenditure vs total expenditure, 2014 (%) 94
Figure 14: ISPC in relation to OSR and FCA of municipalities, 2014 (%) 146
Figure 15: Public services in municipalities: Stakeholders and modes of resource allocation 149
Figure 16: Water total investment (internal, external sources), 2009–2014 (Million MT) 151
Figure 17: Water and sanitation: Investment (internal and external) by institution, 2013 (%) 152
Figure 18: Deconcentrated water supply system: Organisational structure (example: PSAA) 153
Figure 19: Health budget (NHS) by main components, 2010–2014 (%) 156
Figure 20: Health expenditure (NHS) by level of public administration (%) 157
Figure 21: FE – Average annual transfer per municipality, 2009–2015 (US$) 162
Figure 22: Expenditure in education by type and level, 2014 (%) 164
Figure 23: Investment in education by type, 2014 (Million MT) 164
Figure 24: Drivers and restrainers of devolution and deconcentration 200
Table 1: Fieldwork: Selected provinces, districts and municipalities 7
Table 2: Devolution and deconcentration: Main building blocks and differences 17
Table 3: Subprovincial administrative units 26
Table 4: Community leaders by tier 41
Table 5: Decentralisation in Mozambique, 1994–2015: Timeline and events 59
Table 6: Structure of own revenues for provinces and districts, 2012 78
Table 7: Criteria for resource allocation to municipalities 86
Table 8: Revenue collection by municipalities as % of government transfers, 2014 88
Table 9: Average annual growth rate of main fiscal indicators by category of municipality, 2009–2015 (%) 91
Table 10: Composition of provincial assemblies: Nampula and Cabo Delgado provinces 178
Table 11: Logistical base Pemba: Indemnity rates for resettlement 192
Table 12: Decentralisation in Mozambique: Incentives and disincentives 203
Table 13: Decentralisation: Basic numbers 209
Map 1: Municipalities in Mozambique

Source: J Archibald, based on map provided by Ministério da Administração Estatal e Função Pública (MAEFP)
Preface

Severino Elias Ngoenha*

The book *Political Economy of Decentralisation* in Mozambique arrives at the right moment on the book market and in the hands of the reader. The major political, institutional and socioeconomic challenges that Mozambique and its people presently face represent an appropriate context to retrace the story of decentralisation and its perspectives for the country.

The book approaches the topic in a multidisciplinary and multisectoral manner and considers different viewpoints, including political, institutional and that of public administration, finances and society.

The authors look at the relationship between decentralisation and democratisation, a subject debated in political sciences: Does decentralisation correspond to a more advanced level of democracy? Regarding its life as a democracy, Moçambique is still a young country and the book provides a clear picture of the history of decentralisation from 1992 to today. Its basic argument is that the political class which has been in power since Independence systematically sought to limit or, on occasion, halt decentralisation. Is this thesis acceptable? And is it sustained by the evidence which the book produces?

In general, it is possible to reply affirmatively to both questions. The fact that the government has increased the number of districts, some of which perfectly overlap with the territory of the respective municipalities, is offered as proof to verify the central proposition. Furthermore, in the context of today’s political discourse around the future, the government’s reservation in increasing the number of municipalities constitutes one of countless demonstrations of how cautious the government’s approach to this subject is.

Looking at the subject dealt with in this book from a more philosophical angle, the following question emerges: How can the decentralisation process contribute, in a visible and significant way, to improving the well-being of Mozambique’s populations, particularly the least favoured ones? The answer is not a simple one.

* PhD in philosophy; Director of the Doctoral School of Philosophy of the Pedagogical University, Maputo; Rector of the Technical University of Mozambique, Maputo.
The initiative of the “seven million”, implemented by the government under the leadership of President Guebuza, was advocated as a measure to combat rural poverty. Although some results have been achieved, studies have shown that most beneficiaries were hand-picked from among the most prominent members of local elites, and the rate of return on what should have been a loan with favourable conditions has been negligible.

The examples show that the impact of decentralisation is not always positive, implying a profound, systematic and rational political, institutional and economic process which needs to be guided by criteria of transparency and administrative rationality.

The book also reflects the interest and love which the authors have for Moçambique and its people. For the Mozambican co-author, the engineer João Carrilho, this affection is intrinsically linked to his many years of work as a professional in the state apparatus, including in the position of Vice Minister of Agriculture, as well as that of independent expert. His work concentrated on key questions relevant to all Mozambicans and for the development of the country: land use and management, and rural development. In the case of Bernhard Weimer, an academic of German origin, his interest is evidenced in the 25 years that he has lived and worked in Moçambique in positions such as advisor to the Ministry of State Administration, lecturer at the Universidade Eduardo Mondlane (UEM), manager of decentralisation support projects and as an independent consultant.

Not all readers will necessarily always agree with the arguments and conclusions put forward in this book, given their own analyses and convictions. However, even those who disagree with lines of thought offered in this book will acknowledge the enormous effort the authors put into analysing and producing data and evidence, as befits an informed and sober debate on a politically controversial subject. From that point of view, the book merits many readers, from all political persuasions and from all corners of the country.

Maputo, June 2017
Acknowledgements, Sources and Disclaimer

This book is based on a consultancy report with the same title, commissioned by the Swiss Embassy in Maputo in August 2015 and delivered in April 2016. The consultancy was conducted for MAP Consultoria, Maputo, by a team of three consultants: Bernhard Weimer (team leader), João Carrilho (senior consultant), and Liria Quelidio Langa (team assistant). The draft was peer-reviewed by José Jaime Macuane, who was responsible for quality assurance.

Given the study’s resonance with stakeholders in decentralisation in Mozambique, ranging from the government via political parties to civil society, academic institutions and development partners, the Swiss Embassy, in collaboration with Instituto de Estudos Sociais e Económicos (IESE), decided to have the study reviewed and published in both English and Portuguese. Bernhard Weimer, the main author and then team leader, undertook the final review.

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**A note on sources**

The report was written in the spirit of offering a comprehensive analysis not only to the client (SDC), but also to other stakeholders in the Mozambican decentralisation process, notably the government of Mozambique, local governments, organised civil society, and university lecturers and students. Being of an analytical nature, the study uses technical language with which some stakeholders might not be familiar. In line with the practice and ethos of social science analysis, an effort was made to write the report in the spirit of ‘doing no harm’, even if critical positions are reflected or are taken as conclusions.

All opinions expressed in this report, unless they are quotations, are exclusively attributable to the authors. They do not necessarily reflect the opinions of the institutions involved – the Swiss Embassy, the SDC in Maputo and MAP Consultoria – or of any of their staff. Any errors or misrepresentations of facts are the sole responsibility of the authors.

The report is based on information gathered and verified during interviews. In many cases the interviewees requested that the interviews be informal and confidential and they asked not to be quoted. In all other cases, the sources of information used or the opinions expressed in the study are cited in line with the established rules of social science research. In cases of contradictory information, the team endeavoured to corroborate the information through triangulation, i.e. through verification by another source.
About the authors

Bernhard Weimer is a retired social scientist, government advisor and consultant, and former lecturer at the Universidade Eduardo Mondlane in public administration, local government and public finance.

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