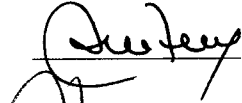
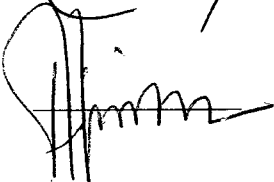


Brief Description: At the end of 2001, the GoA approved a "Strategic Plan" that puts forward a comprehensive vision for decentralization and deconcentration reforms. Since then, decentralization has been included in the "Poverty Reduction Strategy Paper" (PRSP/ECP), approved by the Council of Ministers in December 2003, in the "Priority Phase of the Multisector Reconstruction and Rehabilitation Program" (PPMRRP), in the "National Long-Term Development Strategy" and in the "Medium-Term Development Plan". This 3 year project aims to assist the Government in implementing and refining the "National Strategy for Deconcentration and Decentralization", the recommendation of the "Study on Decentralization", approved by the Council of Ministries, and other related public policies. The objective of the project is to support the GoA to establish a legal and institutional framework clarifying the functional and fiscal relations between the different tiers of Local Government; to implement fiscal decentralization through the pilot experience of a Municipal Development Fund; to promote a participatory democracy and to improve local authorities' capacities to plan and manage resources, namely the land ones. The project also aims to promote the active partnerships between the various decentralization stakeholders: National and Local Government, traditional authorities, Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs), private firms and donors.

The project has the following components: *i)* establishment of the legal and institutional framework for decentralization and its dissemination *ii)* capacity development for participatory planning, budgeting and municipal development; *iii)* democratic participation, and support to local election *iv)* fiscal decentralisation through the pilot experience of a Municipal Development Fund (MDF).

The project will target the Provinces of Benguela, Bié, Huila, Luanda, Malange, and Uige. The total project cost is estimated at 9.318.200,00 USD.

For:	Signature	Date	Name and Job Title
Angolan Government		<u>30-7-04</u>	<u>ANA DIAS LOURENÇO</u> <u>MINISTRA DO PLANEJAMENTO</u>
UNDP:		_____	_____

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UNDAF Outcome(s)/Indicator(s):

(Link to UNDAF outcome, if no UNDAF, leave blank)

Number of provinces implementing the law in decentralization; number of Local Government making partnership with NGOs and CSOs; number of Local Government officials trained on fiscal management

Expected Outcome(s)/Indicator (s): Legal, policy and institutional framework for effective decentralization and local governance approved and implemented

Expected Output(s)/Indicator(s):

(Those linked to the project are extracted from the CP and are linked to the SRF/MYFF goal and service line)

Number of Local Government making partnership with NGOs and CSOs. Number of multisectoral programmes implemented at provincial level. Number of women organisations being promoted and receiving training. Percentage of woman represented in Local Governance structure

Implementing partner:
(designated institution)

MAT

Other Partners:

MINADER, MINUA, Ministry of Justice, selected provincial Governments and municipal Administrations

Programme Period: 2004-2007
 Programme Component: Decentralization
 Project Title: Decentralization and Local Governance
 Project Code: _____
 Project Duration: 3 Years

Total budget:	9.318.200,00USD
Allocated resources:	
• Government:	_____
• Regular:	1.631.200,00USD
• Other:(including in-kind contributions)	
○ Donor NORAD	400.000,00USD
○ Donor WB	3.000.000,00USD
○ Donor Italy/FAO	1.287.000,00USD
Unfunded budget:	3.000.000,00USD

Agreed by (Government): _____

Agreed by (Implementing partner): _____

Agreed by (UNDP): _____

Abbreviations

CBO	Community-Based Organizations
CCF	Country Cooperation Framework
CPD	Country Program Document
CSO	Civil Society Organizations
DAPCOT	Department for Administration, Property, Budget and Transport Management
DNAL	National Direction of Local Administration
EMRP	Emergency Multisector Recovery Project
FAO	Food and Agriculture Organization of the United Nations
FAS	Social Action Fund
FSRP	Food Security Recovery Program
GAA	Cabinet of Subnational Government Affairs
GACAMC	Cabinet for the Support and Control of Municipal and Communal Administrations
GEPE	Cabinet of Studies, Planning and Statistic
GoA	Government of Angola
IDA	International Development Association
IDPs	Internal Displaced People
IFAL	Institute of Training for the Local Administration
IGCA	Institute of Geodesic, Cartography and Registry System
LG	Local Government
LGA	Local Government Act
MAT	Ministry of Territorial Administration
MDF	Municipal Development Fund
MINADER	Ministry of Agriculture and Rural Development
MINUA	Ministry of Environment and Urbanism
NEX	National Execution
NGOs	Non-Governmental Organizations
OGE	State Budget
PAR	European Union Support Reconstruction Program
PERINT	International Consultant
PERLOC	Local Consultant
PFP	Provincial Focal Point
PMU	Project Management Unit
PMRRP	Priority Phase of the Reconstruction and Rehabilitation Program
PPIBSS	Provincial Program for the Improvement of Basic Social Services
PPMRRP	Priority Phase of the Multisector Rehabilitation and Reconstruction Program
PRIMA	Project for Institutional Reform and Administrative Modernization
PRSP/ECp	Poverty Reduction Strategy Paper/Estratégia de Combate á Pobreza
PSC	Project Steering Committee
SEPE	Section for Studies, Planning and Statistic
SRF	Strategy Results Framework
UNDP	United Nations Development Program
UNCDF	United Nations Capital Development Fund
WB	World Bank

PART I. SITUATION ANALYSIS

I 1. The current local administration reform

Decentralization and local governance approach

Angola consists of 18 Provinces, 163 Municipalities and 532 Communes covering a territory of 1.246.700 sq Km. Its population is culturally, socially, ethnically and economically diversified due to the influence of Christianity and Western civilization, which affected some regions more than others, the environmental conditions of each region, the war's impact and the economic policies developed in the last decade. The country is heterogeneous.

Angola is a post-conflict country with a crucial need to strengthen national unity.

Since independence, Angola has built a centralized Government not allowing democratic and participatory governance and providing basic public services from a central prospective, far away from the real needs of the poorest people.

This situation calls for decentralisation and local governance.

Decentralization addresses ethnic and geographic diversity, builds social cohesion, brings the Government closer to people by providing greater participation in the decision making process, including the identification and prioritization of local public policies and, consequently, a better public service delivery. Moreover, especially in Angola, decentralization is a key strategy to address HIV/AIDS, where a series of conditions (such as the flows of IDPs and refugees and the overcrowded urban centres) make the population vulnerable to this disease. Local governance structures provide an enabling environment for increasingly empowered communities to deal with the impact of HIV/AIDS and to find ways to steam its further spread.

Decentralization and local governance have worldwide gained popularity within the last two decades. It is estimated that 80% of the developing countries is experimenting some form of decentralization. Decentralization in Angola has come to the Government's agenda in 2001, with the approval of the "Strategic Plan" by the Council of Ministers that puts forward a comprehensive vision and strategy for decentralization and deconcentration reforms.

Angola intends to take the first path towards the creation of sub-national Government. The draft of the New Constitution foresees the elections of sub-national Government within two years after its approval (art. 350, 2) and according to all political Angolan parties these will take place after the national ones tentatively scheduled in 2006. However, until then, the "Strategic Plan" and other related policies and national strategies allow to develop pilot experiences and to create an institutional environment facilitating an effective decentralization.

Diagnostic of the deconcentration-decentralization process in Angola

The deconcentration process in Angola started with the approval of the Local Administration Act (Decree Law 17/99) on 1999, which provides a detailed legislative framework for deconcentration, defining the structures of Local Governments (provincial Governments and municipal and communal administrations) and specifying their responsibilities. The necessary financial, material and human resources have not accompanied these transfers of responsibilities. The provincial Governor is appointed by the President of the Republic and is the representative of the Central Government at the provincial level. Functions are concentrated in the provincial Governor to detriment of the Government's provincial Department and municipal and communal Administrations. The Decree Law 17/99 establishes an organizational structure and personnel chart to be set up at the local levels reproducing the central model. This legal paradigm has been implemented as a rigid pattern bringing about at the provincial Governments and municipal Administrations an excessive specialization of structures and functions not responding to the local specificity.

The State budget foresees two types of financial transfer from the central Government to the local one: "*blocked*" and "*unblocked*" transfers. According to the Executive Decree 80/99, "*blocked*" transfers must be spent for specific development aims pre-set by the central Government (35% administrative services, 60% infrastructures, 5% emergency). "*Unblocked*" transfers are funds transferred with the aim of increasing revenues in general without the need to use them in specific and pre-defined activities. Moreover, no criteria was established for distributing transfers among jurisdiction: transfers from the central to the provincial Government is made without any objective criteria, such as population, development indicators, and revenue performance. The Executive Decree 80/90 has never been fully implemented in terms of the fix expenses aims. The financial resources are always transferred with delays to the sub-national Governments affecting their planning and implementation exercises. Provincial Governments do not have access to independent tax bases and sources of credit.

Interesting practices on partnership and participation between local authorities, population and NGOs have been experimented in some municipalities and communes: [(Kilamba Kiaxi (Luanda), Catumbela (Benguela), Bibala (Namibe), Gambos (Huíla), Caála e Tchicala – Tcholohanga (Huambo), Quibala (Kwanza Sul) e Sanza Pombo (Uíje)]. These experiences should be reviewed and developed. PAR has also experimented similar practices through the creation of "*Quadro de Concertação Municipal*", comprising public institutions, representatives of CSOs and traditional authorities. FAS has just started a similar exercise in eight municipalities.

I. 2. Problems to be addressed

In spite of the progresses towards a deconcentration policy, as described above, this process still presents some weaknesses. The project aims to address:

Legal and institutional framework for decentralization

- a) The need for a coherent set of rules to replace the hierarchical system of a centralized governance;
- b) Lack of clarity in the fiscal inter-governmental relations including the definition of each tier's responsibilities and functions;
- c) Lack of an efficient dissemination campaign on legal instruments.

Capacity development for decentralization and municipal development

- a) Lack of systems and competency to improve a participatory process for planning, budgeting and service delivery;
- b) Shortage of skilled personnel in planning, budgeting, management process and land administration and management;
- c) Lack of skills in gender analysis; gender monitoring indicators as well as lack of awareness on how gender can be mainstreamed in the local development process;
- d) Inadequate cadastre and registry system;
- e) Lack of sub national Government's capacities to manage land as a local development source;
- f) Inadequate capacity of provincial Government to provide guidance, technical and legal assistance to municipalities for coordinated participatory planning and budgeting¹;
- g) Lack of mainstreaming and integration of HIV/AIDS into overall national, provincial and municipal development;

Democratic participation and local election

- a) Vulnerability and lack of self-confidence of the marginalized groups (women, youth, farmers groups, etc) in decision making, planning and budgeting at the lower tiers of Local Government;
- b) Insufficient citizens' participation in the Local Government decision-making, namely through the identification and prioritization of public policy choices;
- c) Inadequate attention given to gender issues as stated in the "National Gender Policy"²;
- d) Deficient participation, negotiation and conflict resolving culture;
- e) Lack of civic education programmes to raise awareness and sensitize communities on local elections.

Fiscal decentralization, financial management and audit capacity

- a) Lack of a rational system of financial equity based on objective criteria that guides the transfer of funds from the Central to the Local Government;

¹ It is a legal requirement for the provincial governments to prepare economic and social development plans, incorporating plans of lower local councils in their areas of jurisdiction (Decree 27/00, May 19, art. 11)

² Ministério da Família e Promoção da Mulher, Estratégia e Programa Quadro Estratégico para a Promoção da Igualdade do Género até 2005, Luanda, 2001.

- b) Lack of legal and institutional framework that enable Local Governments and their institutions to mobilize and generate sustainable local revenues;
- c) Inadequate procedures for transparent and participatory municipal planning and budgeting;
- d) Limited capacity of provincial Government to provide technical assistance to municipalities and roll out appropriate procedural controls;
- e) Difficulty in collecting taxes in urban and rural areas especially the real estate one;
- f) Shortage of skilled personnel in tax assessment, collection and management process.

I. 3. Previous Initiatives and lessons learned

Until now, no development programmes have been implemented in the decentralization area, but some of them - namely the “European Union Support Reconstruction Programme” (PAR), and the “Social Action Fund” (FAS) - deal with some aspects of local governance and development.

These experiences at the local governance have shown that:

- a) A major challenge of decentralization is the creation of a legal-institutional framework clearly defining the functions of the national and the local Governments and the relations between them. Informal, negotiation-based decentralization is difficult to manage;
- b) In the decentralisation process, the central Government has to maintain control on staffing cost, and to tight scrutiny over budgets in order to prevent over-expenditures and corruption³;
- c) Decentralisation leads to a democratic Government, allowing citizens to participate and influence the processes of local governance and making local authorities accountable to the population;
- d) The independence and sustainability of Local Governments is jeopardized without fiscal decentralization;
- e) Local Government's human resources have to be motivated and improved to accomplish the tasks transferred to the local level;
- f) The improvement of coordination mechanisms between the different tiers of the Local and the National Government is a key issue of the success of decentralization;
- g) Private sector and civil society have to be involved in the local governance;
- h) Decentralization reform is highly dependent on the State's investment in a system supporting and supervising the Local Government;
- i) Decentralization can not be uniformly applied because local-level structures have different capacities to implement it⁴;
- j) Local governance is essential for poverty eradication;

³ UNDP and ECA, Fifth African Forum (AGF V), Local Governance for Poverty Reduction in Africa, Concept Paper, January 2002, p.p.16

⁴ The Fifth African Governance Forum (AGF V), Local Governance and Poverty Reduction

- k) In rural areas decentralization has to take the *povoações* into consideration besides the Communes;
- l) HIV/AIDS has to be included into local development planning systems;
- m) Women's participation in decision-making at local level has to be mainstreamed.

I. 4. Development objectives

This 3 years project aims to assist the Government in implementing and refining the "National Strategy for Deconcentration and Decentralization", the recommendation of the "Study on Decentralization", approved by the Council of Ministries, and other related public policies. The objective of the project is to support the GoA to establish a legal and institutional framework clarifying the functional and fiscal relations between the different tiers of Local Government; to implement fiscal decentralization through the pilot experience of a Municipal Development Fund; to promote a participatory democracy and to improve local authorities' capacities to plan and manage resources, namely the land ones. The project also aims to promote the active partnerships between the various decentralization stakeholders: National and Local Government, traditional authorities, Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs), private firms and donors.

The project has the following components: *i)* establishment of the legal and institutional framework for decentralization and its dissemination *ii)* capacity development for participatory planning, budgeting and municipal development; *iii)* democratic participation, and support to local election *iv)* fiscal decentralisation through the pilot experience of a Municipal Development Fund (MDF).

In relation to the experience of the other development partners in local governance, the present project has comparative advantages in: fiscal decentralization, land administration and management, local elections and legal and institutional framework for decentralization.

Assumptions, challenges and risks

The implementation of the project considers the following assumptions, challenges and risks:

Assumptions

- a) Decentralization is a key Government's political priority;
- b) Present project is a Government initiative not a parallel one;
- c) Legal framework for pilot experience established;
- d) National Coordinator fully involved in the project implementation;
- e) *Povoações* in the rural areas and *bairros* in the urban areas included and treated as units of analysis and identification of needs and potentialities;
- f) Existing experiences of decentralization, dialogue and consensus.

Challenges

- a) To make sure that democratic decentralization becomes a fact, and that the process actually contributes to development and pro-poor governance⁵;
- b) To ensure a real fiscal decentralization, enlarging the revenues of local Governments and strengthening their mobilization mechanisms;
- c) The creation and implementation of practical mechanisms to ensure project's transparency and accountability;
- d) The mainstreaming of gender issues into the planning process;
- e) To ensure the continuity of the capacity building process for Local Government;
- f) A clear definition of the roles of the various players in the decentralization programme and the development of a holistic approach to decentralization among sectoral Ministries;
- g) Devolution of power to traditional authorities.

Risks

- a) Lack of coordination between the different tiers of the local Government (Provinces, Municipalities and Communes);
- b) Lack of real political willingness to transfer and devolve functions to Municipalities and to make the legal framework work;
- c) Decentralization, without the transfer of corresponding resources from the central to the local level, does not allow Local Governments to gain legitimacy and respect face to local population;
- d) Lack of will to institutionalize and fund the MDF; leaving it as a pilot experience;
- e) Vulnerability and lack of self-confidence of the marginalized groups that could weaken their ability to participate into local development and contribute to the plans and budgets;
- f) Inability of the central Government to impose fiscal discipline on sub-national Governments;
- g) Definition of political objectives not followed in practice by concrete plans;
- h) Frustrated local communities because of the economic difficulties.

I. 5. National Institutional and Legal Framework

The project is designed in line with the Angolan 1992 Constitution Law, the "Local Government Act" (Decree Law 17/99 – to be revised), and the "National Strategy for Decentralization".

The 1992 Constitutional Law spells out that "The organization of the State at local level comprises the existence of sub-national Governments (*autarquias locais*) and local administrative bodies". According to the Constitutional Law, *autarquias locais* must

⁵ Chr. Michelsen Institute, Angola 2002/2003 Key Development Issues and Democratic Decentralization, p. 36.

have elected representative organs. Therefore, while local administrative bodies are deconcentrated units, *autarquias locais* are effectively decentralized bodies with their own autonomous structures. This commitment is maintained and even strengthened in the New Constitutional Law's Proposal, which foresees a more detailed legislative framework for decentralization, including a fiscal one. The National Assembly might approve the New Constitutional Law by the end of 2004.

Despite of the dispositions of the Constitutional Law, no local elections have been hold to date. Local Governments in Angola are still ruled by officials appointed by the central Government.

The Ministry of Territorial Administration (MAT) is the Government branch in charge of conducting the process of institutionalization and implementation of sub-national government as well as the preparation of the technical and administrative conditions for the national and local elections. It is therefore the main counterpart of the project.

I. 6. Beneficiaries

The project has two main target groups: 1) the **direct beneficiaries**: Local Government, including provincial Government, municipal and communal Administrations and traditional authorities; 2) the **indirect beneficiaries**: CSO and local communities.

PART II. STRATEGY

II. 1. The project's strategy: piloting a "local governance approach" for planning and development

The local governance approach aims to create:

- a) *Municipal Administrations* as budget, planning and implementing units; key actors in the promotion of the economic and social recovery of the local population;
- b) *Provincial Governments* as strategic units; catalysts of development; effective providers of political guidelines, technical and legal assistance; municipalities' supervisors.

Specifically, the project pilots:

- a) The introduction of fiscal decentralization, through the creation of a Municipal Development Fund (see Figure II), which should be institutionalized, once experimented;
- b) The improvement of local authorities' capacities in planning, resource management, land administration and management, accounting, monitoring and evaluation;
- c) The increase of democratic participation in local development;

- d) The re-definition and enhancement of the provincial Government's role and its capacities to guide, support and supervise municipalities.

The MDF will work as a regular and stable Fund to be transferred by the State to the sub-national governments, once created. It intends to: *i)* cover Local Government fiscal imbalances, supplementing inadequate local own-source revenues; *ii)* offset fiscal capacity differences among Local Government; *iii)* fund the services that Local Governments provide on behalf of the central or provincial ones.

MDF (and in the future, locally raised funds) will be allocated, as decided at local level, on the basis of locally determined priorities, and through transparent allocation and disbursement mechanism, including external audits that are made accessible to the citizens. Regular financial report should be publicized in the press.

The project approach calls for a new and more effective interaction between municipal Administrations, provincial Governments, traditional authorities, CBOs, NGOs and the private sector.

The project empowers municipalities and assists them to develop and implement "Municipal Strategies".

"Municipal Strategies" mean to:

- a) Take the *bairros* and *povoações* as analysis units for the identification of needs and potentialities; and the Municipalities as a viable and effective structure to articulate the Government's action for reintegration, economic and social recovery;
- b) Associate traditional authorities and communities to the identification and the resolution of problems and local conflicts; institutionalize mechanisms for community participation in the municipal decision-making;
- c) Rely on formal partnership agreements between the municipal administrations, the provincial Government structures and the NGOs operating in the Provinces, for the implementation of municipal recovery and development programs;
- d) Use local media information and mobilize communities' self-help for a more efficient management of narrow public resources for the re-establishment of basic service facilities.

The project will create synergies with ongoing participatory initiatives at the municipal level.

The project also supports the development of "Provincial Strategies".

"Provincial Strategies" mean to:

- a) Assist provincial Governments to carry out strategic planning exercises;
- b) Develop partnerships and agreements between provincial authorities and private and non-profit organizations on specific mutual commitments;

- c) Improve provincial capacity to identify investment opportunities; prepare technically, economically and socially feasible proposals and mobilize internal and external financial resources.

Potential for replication and policy impact of the project

Conceived as a pilot of a “local governance approach”, the project will provide practical lessons on how recovery and development management responsibilities and resources could be deconcentrated to provincial and municipal administrations and later decentralized to elected sub-national governments (“*autarquias locais*”).

After a positive evaluation, the project could be replicated.

II.2. National Commitment to Achieve the Result

Decentralization is a crucial issue of the Government's formal agenda, public policies and national strategies. It has been included in the following documents: *i)* the "National Strategy for Deconcentration and Decentralization", approved by the Council of Ministers in January 2001; *ii)* the PRSP/ECP; *iii)* the PPMRRP, which is the core of the PRSP/ECP; *iv)* the "National Long-Term Strategy" (2025) and the "Medium-Term Development Plan" (2005-2009).

GoA has approved the recommendations drawn out in the study on decentralization, supported by UNDP. This study is gradually implemented.

Under the PRSP/ECP, GoA intends to: *i)* establish the sub-national Government (*autarquias locais*); *ii)* promote human resources development, fiscal decentralization and the empowerment and participation of Local Government and CSO's for a better service delivery.

The present project has been designed following a formal request addressed to UNDP by the Minister of Territorial Administration to support the Government in its decentralization and local governance efforts.

II.3. Strategy for the use of UNDP resources

The project is consistent with the UNDP mandate and in line with the CCF (2001-2004), UNDAF, the current SRF, the CPD (2005-2008) and the achievement of human development, the main elements of which are articulated through the set of the MDGs. UNDP recognizes that decentralization and local governance constitute a mechanism that promotes development, supports local democracy and a more direct citizen's participation in the political and social processes. Decentralization provides Local Governments with authority and human and financial resources and transforms them into participatory institutions responsible and accountable to citizens. At the same time decentralization strengthens grass roots democracy and empowers citizens, communities

and their organizations such as CBOs and NGOs to participate as equal partners in local governance and local development process.

This project is merged with the EU FSRP⁶. One of the FSRP 's objectives is to strengthen the legal and institutional framework for food security, at the provincial and municipal level, providing technical assistance to local institutions for the updating of the cadastre and land registry system. Decentralization deals with this issue as well, in the prospective to enable Local Governments to manage land as a local development resource. Therefore, to increase coordination among development partners to better respond to the country's needs, this EU project component is inserted in the present project and will be implemented by the FAO.

For the same reasons, the Component C - Local Governance Approach - of the WB's EMRP, which aims to pilot the MDF, is part of this project as well.

To maximize the results of the project and to create synergies with other stakeholders' interventions, the activities of the project will be implemented in target provinces/municipalities.

Fiscal decentralization concerns the municipalities of **Kilamba Kiaxi** (Province of Luanda), **Kamacupa** (Province of Bié), **Calandula** (Province of Malange), and **Sanza Pombo** (Province of Uige). The target provinces/municipalities were selected on the following criteria: i) target provinces selected by the GoA to benefit from the EMRP, ii) most war affected versus less war affected provinces/municipalities; iv), most populated versus less populated municipalities; v) rural versus urban municipalities, vi) interior versus coastal provinces; vii) existing of a local development partnership dynamism and negotiation.

The activities related to land administration and management will take place in the Provinces of Benguela and Huila. These provinces were selected on the basis of the following criteria: *i)* the potential for quick recovery of sustainable food security, *ii)* the level of food insecurity of the target provinces considering that the question of land is a crucial factor in the eradication of food insecurity and rural poverty, *iii)* the previous land projects of other stakeholders, namely the FAO and Netherlands, realized in these provinces which brought solid basis for further interventions; *iv)* the dynamic and the interest at the institutional level related to this issue.

The other activities foreseen in the project, namely the legal and institutional framework, some training activities, the capacity building of central institutions and the dissemination's ones concern the overall country.

The strategy for the use of UNDP resources will be implemented as follows:

- a) The UNDP will provide technical support, through the hiring of national advisors and international consultants according to the needs;

⁶ The FRSP is a program under approval

- b) The UNDP will create a favourable environment for the implementation of the national strategy, ensuring the complete involvement of the main partners, civil society, local communities and women;
- c) Ensuring coordination, partnerships and synergy with the other relevant experience in local development carried out by FAS, PAR, ADRA, CARE International, Children UK, Municipality of Bibala (Province of Namibe) and other local initiatives;
- d) According to UNDP's objectives to ensure the sustainability of the activities, planning, monitoring and evaluation will be carried out in a participatory way in order to guarantee that the final result fits with the fixed objectives;
- e) Planning, monitoring and evaluation will be performed on the basis of measurable, tangible and identifiable indicators.

A communication's component is inserted in the project with the aim to: *i)* disseminate the project's activities realized in order to increase the coordination and the synergies with the other stakeholders intervening in the local development area; *ii)* reinforce the involvement of the actors; *iii)* demonstrate the comparative advantages of the intervening institutions; *iv)* keep the project's donors informed on the project's implementation status and valorise their support.

PART III. OUTPUTS, TOTAL WORKPLAN AND BUDGET (*enclosed*)

PART IV MANAGEMENT ARRANGEMENTS

IV.1. Executing modality

The Project will be executed through the Direct Execution modality (DEX). Individual Components of the Project will be backstopped by UN technical agencies, which will serve as cooperating agencies of the program: Fiscal Decentralization – UNCDF; Land activities – FAO. In the meanwhile, MAT will be technically, managerially, administratively and financially capacited to undertake the full execution of the project upon capacity assessment. Therefore, the project modality could be converted to NEX.

The UNDP executes the project through MAT, selected Ministries and provincial Governments, which have to be designated as implementing agencies in their respective geographic areas.

UNDP is the cooperating agency responsible for *i)* recruitment and administration of the project's technical assistance personnel (international and national); *ii)* the purchase and delivery of all externally procured project equipment and materials; *iii)* the purchase of logistic, administrative and financial assistance to the FAO (as associate agency responsible for the implementation and monitoring of the activities related to land administration and management) and to the United Nations Capital Development Fund

(UNCDF⁷) (as cooperating body responsible for provision of technical backstopping and monitoring services for the fiscal decentralization component).

IV. 2. Implementation arrangements

The implementation will be based on the following mechanisms:

A newly-formed **Project Steering Committee (PSC)** is responsible for the policy guidance of the project and comprises representatives of the following institutions: the Ministry of Territorial Administration (Chair), Planning, Finance, Agriculture and Rural Development, Environment and Urbanism, Justice, Governors of selected provinces, UNDP, FAO and Representatives of any donor financing the project. The major role of the PSC is to figure out policy-relevant lessons in the project sectors of intervention and afterwards taking them into consideration for future experience. It is especially important to ensure that the Ministry of Finance to be more involved in discussions of project strategy and lessons; this is a key priority for sustainability.

The PSC will meet at least twice a year to review the progress of the project and provide policy level oversight for its implementation and/or revision. It is also responsible for: *i*) commissioning a policy-oriented evaluation of the project, at the end of its second year and *ii*) makes recommendations on: a) the eventual replication of the pilot experience; b) the lessons learned through the project implementation relevant for the refinement of the “National Strategy for Decentralization and Deconcentration”; c) the corrective measures.

A **National Director**, appointed by the Ministry of Territorial Administration, supports the project and serves as focal point, ensuring effective communication between the partners and monitoring the progress towards the expected results.

A **Project Manager** will be responsible for following tasks:

- a) Prepare work plans, budgets, quarterly and annual reports of project implementation, coordinating and guiding the implementation;
- b) Organize and oversee quarterly project stakeholders meetings;
- c) Ensure the supervision and follow up of the technical work, global coherence of the activities, and the handling of the information among the parties;
- d) Ensure the financial management and control of the resources allocated to the project;
- e) Monitoring and evaluation of the project activities.

Focal Point at the Ministry of Agriculture and Rural Development and Ministry of Environment and Urbanism will be responsible for the implementation of the land tenure activities. In the targeted MDF Provinces, in the GEPE Department, a **Provincial Focal Point** is set up assisted by an UNV, specializing in local government planning and development, programming and budgeting.

⁷ UNCDF is a special fund administered by UNDP, which specializes in the design and implementation of “good local governance” support programs.

PART V MONITORING AND EVALUATION

V.1. Planning, Monitoring and Reports

The project will be monitored, evaluated and reported in accordance with UNDP procedures. At the beginning of the activities of the project, specific terms of reference will be prepared for each consultancy or sub-contractor entity, in order to ensure that the final result matches with the objectives initially established.

Quarterly progress reports, containing narrative and financial information, will be distributed to the donors financing the project.

The Project Management Unit will closely monitor all activities. Activities will be planned and managed on the basis of measured and evaluated results. Annual work plan will include monitoring indicators for each activity. Staff and resources within the PMU will be devoted specifically to this task.

In addition to regular monitoring, specific evaluations will be commissioned if needed.

Mid-term review (MTR) will take place after 18 months of project implementation. The MTR will review project progress and evaluate the achievement of expected project outputs, the assumptions hold and the policy environment apt or not for project experience replication.

A final evaluation will be undertaken at the end of the project.

PART VI LEGAL CONTEXT

This project is the instrument prescribed in the article 1 of the “Standard Basic Agreement between the Angolan Government and the UNDP” signed by the parties on 18th February 1977. For the purpose of the “Standard Basic Agreement”, the host's country implementation Agency has to refer to the Government co-operating agency described in that agreement.

Figure 1: Circuit of Technical Assistance

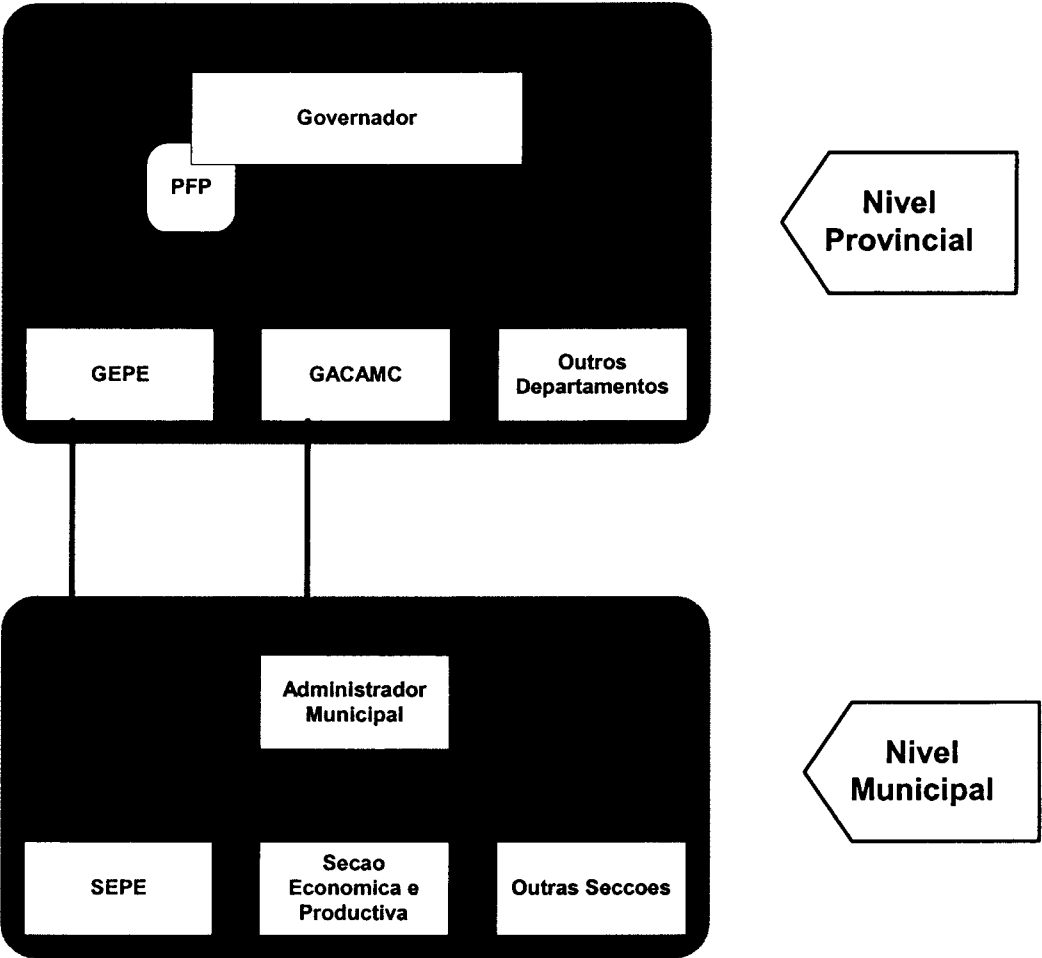
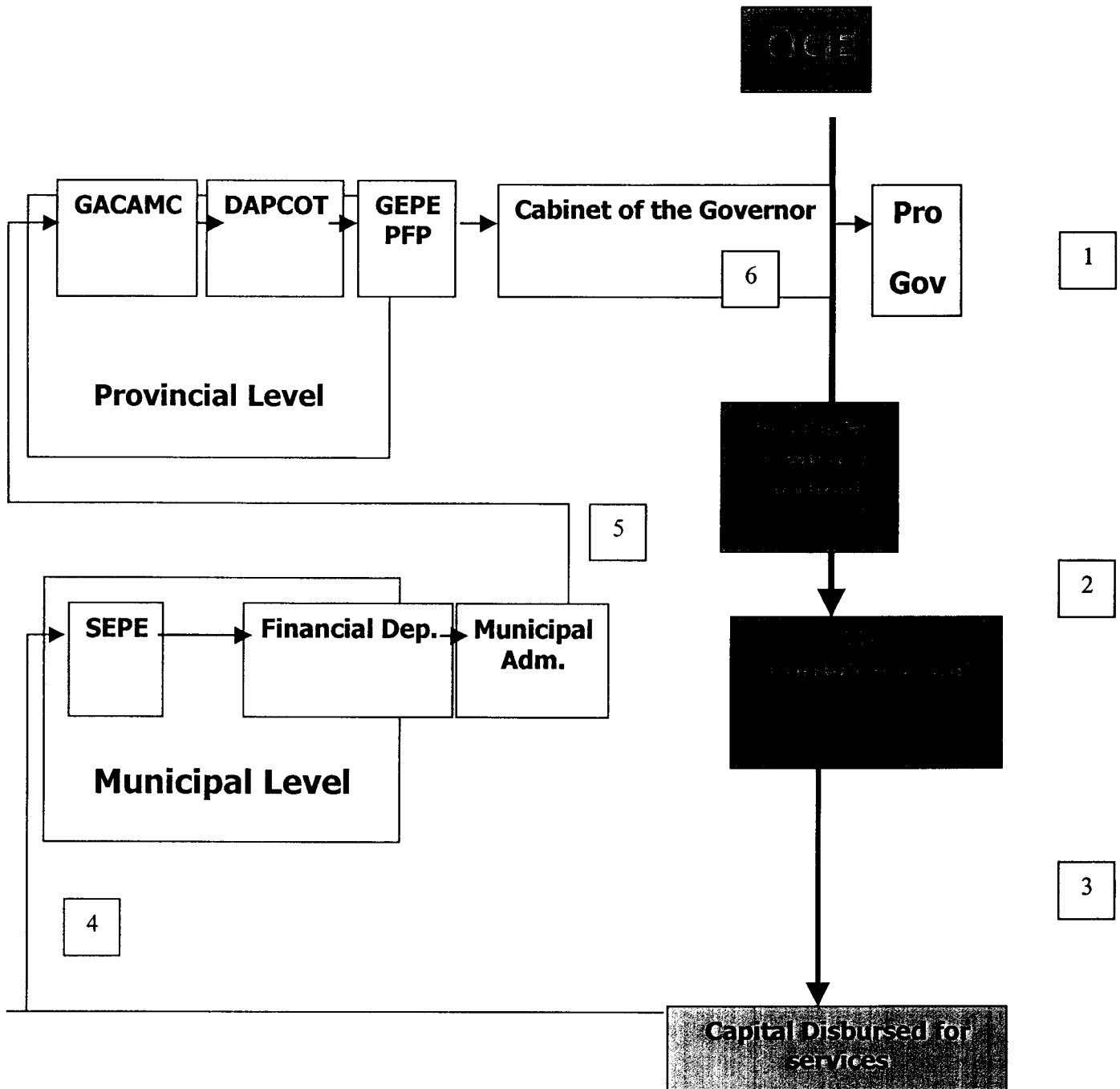


Figure2: Circuit of financial assistance (Municipal Development Fund-MDF)



The capital fund is transferred for the WB to the OGE.

1 The capital fund is transferred from the OGE to the Provincial treasure account

2 The capital fund is transferred from the Provincial current account to the MDF current account

3 The capital fund disbursed for services (e.g. the contract of an enterprise to rehabilitate a municipal school and so on)

4 Control of the expenses and related approval at the administration level

5 Control of the expenses and related approval at the provincial level

6 Approval by the Provincial Governor

Part II: Total Workplan and Budget

Expected Results & Monitoring Activities	Key Activities				Responsible Partner			Planned Budget	
	Year	1	2	3	Source of Funds	Budget Description	Amount		
								1	2
Component 1: Legal and institutional framework for decentralisation and its dissemination									
1. Legal and institutional framework for effective decentralization and empowerment of Local Government approved and implemented	1.1. Dissemination of the laws approved by the Government concerning the elected subnational Government, land and territorial planning	■	■	■	MAT & Selected Prov/Municip	Miscellaneous & Publication	45.000,00		
	1.2. Elaboration of the legal framework (including regulation) on:								
	1.2.1. Fiscal decentralization	■			MAT	PERLOC	3.000,00		
	1.2.2. Decentralized cooperation		■		MAT	PERINT & PERLOC	10.000,00		
	1.2.3. Cities			■	MAT	PERLOC	3.000,00		
	1.2.4. Special Statute of Luanda's Province	■			MAT & Prov. Got of Lda	PERLOC	3.000,00		
	1.2.5. Municipal accountancy	■				PERLOC	3.000,00		
Monitoring indicator: Legal framework existing	1.2.6. Status of local staff with "privative settings", including incentives		■		MAT	PERLOC	3.000,00		
	1.2.7. Monitoring and evaluation	■	■	■	MAT		5.000,00		
Subtotal for component							5.000,00		

Expected Results & Monitoring Activities	Key Activities	Year			Responsible Partner	Source of Funds	Budget Description	Amount
		1	2	3				
Component 2: Development for participatory planning, budgeting and municipal development								
2. Central governmental departments and municipal authorities' capacities improved in institutional coordination and development planning	2.1. Strengthening the capacity to act as facilitator for participatory planning process based on the existent and replicable experiences, gender mainstreaming, and other related local development issues of the following institutions: DNAL, GAA, GEPE, GACAMC and DRH of the MAT, IGCA of the MINJA and <i>Conservatoria dos Registros Prediais</i> of the Ministry of Justice, DNDR/DNOR of the MINADER	■	■	■	MAT & Provincial Governments	PERUNV, PERLOC	200.000,00	
Monitoring indicator: 5 Ministry's departments and selected municipalities capacited in planning process, gender mainstreaming and other related local development issues.	2.2. Exchange among selected municipalities on experiences and best practices on participatory planning (based on lessons learned), tax assessment and collection, gender mainstreaming and other related local development issues	■	■	■	Provincial, Municipalities & CSO/NGO	Miscellaneous	30.000,00	
	2.3. Rapid assessment of HIV/AIDS's situation, analysis and capacity assessment of potential risks and vulnerability and identification of possible solutions to reduce the spread of HIV	■	■	■				
	3.1. Land titling	■	■	■				
3. Enhanced Local Government capacity for land administration and management (Provinces of Huila and Benguela)	3.1.1. Inventory of customary rules and regulations to access land and verification of the existing land titles (and property survey)	■					500.000,00	
	3.1.2. Participatory land delimitation	■	■	■				
	3.2. Land administration	■	■	■	MINADER (DNDR/ DNOR)			
	3.2.1. Digitalization of satellite images (setting a GIS system using friendly technology)	■					450.000,00	
	3.2.2. Setting a land registration and cadastre system (and registering titles)	■			Prov. Govts of Benguela & Huila		400.000,00	
	3.2.3. Refurnishment of local offices	■			MINUA/IGCA		400.000,00	
	3.3. Land management	■						
	3.3.1. Land evaluation (inventory of natural resources and Pilot land resources management exercise)	■			FAO		500.000,00	
	3.3.2. Land valuation	■					250.000,00	
	3.4. Trainings on land administration/management issues using some pilots on the topics of cartography, topography, GIS, Arcview, land registry dbase, participatory delimitation	■	■	■			500.000,00	
	3.5. Drafting and editing of documents	■	■	■			100.000,00	
	3.6. Monitoring and evaluation	■	■	■			100.000,00	

Expected Results & Monitoring Activities	Time Frame			Key Activities	Responsible Partner	Source of Funds	Budget Description	Amount
	Year							
	1	2	3					
Component 3: Democratic participation and support to local election								
<p>1. Capacity enhanced to achieve a coherent policy environment for gender mainstreaming and improved skills in gender analysis</p> <p>Monitoring indicator: 60 local staff sensitized in gender analysis, planning and leadership</p>				1.1. Support to training courses and workshops on gender analysis and gender mainstreaming issues for gender local focal points	IFAL	NORAD	PERLOC & PERINT	15.000,00
				1.2. Courses in leadership skills, management, public speaking, gender budgeting, problem analysis and other related topics	IFAL	NORAD	Miscellaneous	5.000,00
				1.3. Education and sensibilization of women officers in the municipal councils and administrations on their roles and responsibilities	CSO/NGO	NORAD	PERINT	6.000,00
				2.1. Civic education initiative to facilitate full citizen participation in elections		NORAD	Miscellaneous	15.000,00
				2.2. Training in: voting, counting, tabulation and reporting, prevention and conflict-resolution	Prov/Municipal & CSO/NGO	NORAD	PERINT & PERLOC	10.000,00
				2.3. Sensibilization of the population on the utility and use of rural radio		NORAD	Miscellaneous	70.000,00
				2.4. Legal framework for rural radio			PERINT	20.000,00
<p>2. Democratic participation increased and support to local election</p> <p>Monitoring indicator: Local population capacited in participation and awared on local elections</p>							Miscellaneous	9.000,00
							PERLOC	30.000,00
							Equipment	3.000,00
								66.000,00
							Miscellaneous	40.000,00
							Miscellaneous	5.000,00
Subtotal for component								
								2.000,00

Expected Results & Monitoring Activities	Key Activities	Year			Responsible Partner	Source of Funds	Budget Description	Amount
		1	2	3				
		1998						

Component 4: Fiscal decentralisation through the Pilot Experience of a Municipal Development Fund (MDF)

1. Municipal Development Fund established and operational	1.1. Feasibility study to detect: needs, constraints, risk-assumptions to be overcome, policy impact and possible replication and the necessary equipments	■			MAT, Prov/Municipalit	WB/IDA	Service Contract	150.000,00
	1.2. Elaboration and dissemination of the MDF Operations Manual (including the eligibility criteria to access to the MDF)		■		MAT & UNCDF	TRAC WB/IDA	PERINT	100.000,00 50.000,00
	1.3. Training of local officers in the management of the MDF			■	IFAL	TRAC	Miscellaneous	100.000,00
	1.4. Establishment of provincial and municipal accounts and provision of initial capital (a pilot experience for the <i>Municipal Financial Fund</i>)			■	MAT, Prov/Municipalit	WB/IDA TRAC	Capital Grants	2.300.000,00 500.000,00
	1.5. Evaluation of the MDF experience in view of its institutionalisation within the national public finance management system				MAT, Provinces & UNCDF	WB/IDA	PERINT	50.000,00
	1.6. Refinement of the fiscal decentralization framework, especially of a Municipal Development Fund			■	MAT	WB/IDA	PERINT	100.000,00
	1.7. Conduct a revenue generation feasibility study to investigate opportunities for municipalities to mobilize resources			■	MAT & UNCDF	TRAC	PERINT	100.000,00
	1.8. Establishment of provincial government fiscal data bank to the municipalities			■	MAT & UNCDF	TRAC	PERINT	100.000,00
	1.9. Facilitate municipalities to carry out participatory multi-year investment programming and annual budgeting exercise			■	MAT & UNCDF	TRAC	PERINT	100.000,00
	1.10. Monitoring and evaluation			■		TRAC	Mission Cost	50.000,00

Monitoring indicator: 5 municipalities recognized like budget unit and provided by own resources

Subtotals of component

Expected Results & Monitoring Activities	Key Activities	Year			Responsible Partner	Source of Funds	Budget Description	Amount
		1	2	3				
Operational Support	National Director (1)	■	■	■	TRAC	Service Contract	72.000,00	
	Administrative and financial assistance (1)	■	■	■	TRAC	"	54.000,00	
	PERUNV (4)	■	■	■	TRAC	PERUNV Cont	148.000,00	
	Technical assistance	■	■	■	WB/IDA		200.000,00	
	Secretary (1)	■	■	■	TRAC	Service Contract	385.000,00	
	Driver (1)	■	■	■	TRAC	"	28.800,00	
	Internal travel	■	■	■	TRAC	Miscellaneous	23.400,00	
	Auditing services	■	■	■	TRAC	Miscellaneous	80.000,00	
	Equipment	■	■	■	TRAC	Equipment	15.000,00	
	Advocacy and communication	■	■	■	TRAC		150.000,00	
Subtotal for Operational Support							2.020,00	
PROJECT TOTAL BUDGET							9.318.200,00	