

SUPPORT TO THE  
DECENTRALIZATION AND LOCAL  
GOVERNANCE PROJECT

PHASE II



Project Annual Report  
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[Decentralization and Local Governance]

# Acronyms

CTA	Chief Technical Advisor
DGL	Decentralization and Local Governance
DIM	Direct Implementation
MAT	Ministério da Administração do Território
MINPLA	Ministério do Planeamento
MINFIN	Ministério das Finanças
MINFAMU	Ministry of Women
NIM	National Implementation
SIPOGEM	Sistema de Planeamento, Orçamentação e gestão Pública (Planning, Budgeting and Public Management System)
SIGFE	Sistema Integrado de Gestão Financeira do Estado (Public Finance Management System)
SIGPE	Sistema Integrado de Gestão Patrimonial do Estado (Patrimonial Management System)
PAOM	Programa Anual e Orçamento Municipal (Municipal Annual Plan and Budget)
PEDM	Plano Estrategico de Desenvolvimento Municipal (Strategic Municipal Development Plan)
PM	Perfil Municipal (Municipal Profile)
PDDR	Plano Director e Directrizes Regulamentares
POT	Plano de Ordenamento Territorial
LOT	Lei de Ordenamento Territorial

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## INTRODUCTION

Decentralization is at the top of the agenda in Angola. The Government has already started the decentralization process by empowering the municipalities for local decision-making and service delivery. Angola has successfully made the transition from war to peace and democratic pluralism and there has been tremendous progress since 1992. The political and development terrain has changed considerably, but there are still some major deficits on the human development front and tremendous challenges ahead. Angola's pressing human development challenge is to broaden the base of its economy to include the poor areas of the country as factors in its economic and human development strategy, essentially to make the agricultural sector more productive and to include and extend the benefits to a much broader portion of the population.

It will need to address not just the country's skewed production structure, but also to narrow the rural-urban divide, the regional imbalances and gender disparities as a way of reducing the endemic income and human poverty faced by the majority of the population. This requires, first, the political will to recognize the imperative of a pro-poor economic growth strategy. Second, it requires the development of a public sector with the capacity to carry out pro-poor growth policies. Third such an ambitious plan requires human and financial means.

Angola has made considerable strides in increasing capacity in the public service. In all public sector institutions the capacity to effectively manage government functions and disburse public resources is low. A number of donors and development partners, including UNDP, are supporting initiatives to improve public sector performance. At the local levels, because of the legacy of a highly centralized bureaucracy, there is inadequate government presence to carry out local planning. Government essentially stops at the municipal or sub-municipal level (comuna). In general, UNDP's strength comes from its reputation as a trusted and neutral multilateral organization. It can assist national and local dialogues on decentralization as a step towards the formulation of new policies and strategies, including by bringing in its institutional expertise and capacity to share knowledge and experiences from diverse sources.

UNDP is also charged with upholding the principles of human development and human rights, including participation, equity, sustainability and accountability—all of which are essential supports to successful decentralization. Some attempts are now being made to study the intersections between poverty reduction and decentralization in a more concerted fashion, and to begin defining some of the basic elements of "pro-poor decentralization." For UNDP country programmes, this underscores the need for careful analysis in decentralization advocacy strategies.

UNDP in partnership with DFID and Spanish Cooperation are funding the second phase of the project to support Decentralization and Local Governance in Angola. One of the aims of this process is to assure bigger community participation in the local governance and efforts to reduce poverty with the introduction and modernization of participative programming instruments, budgeting and public resource execution at provincial and municipal levels. The UNDP programme has achieved the first goal aimed at institutionalize the processes and methodologies that are being replicated. Based on the project internal assessment, the project scores high with the performance of what have become UNDP flagship programme to support decentralization and strengthening of local governments. Its model for training municipal level officials is being replicated rapidly throughout the 5 key provinces. Here is an instance of UNDP leveraging its core resources effectively for countrywide success. Training abroad and training in local public administration have enhanced the planning in administrative capacity at the central level, and this increased capacity is beginning to reach the provincial and municipal levels as well.

## 1.1 LEGAL CONTEXT

The Government enacted the Local Administration Decree in 1999 (Law 17/99), which provided a detailed framework for deconcentration. Moreover, it has recently approved the Law 2/07 as result of the political and economic changes, which paves the way for further deconcentration as selected municipalities become increasingly responsible for their budgets (budgetary units). The Law 2/07 reinforces the status of the provincial and municipal governments as deconcentrated units of the State, whilst also moving towards greater territorial autonomy. Under the Law on state Organs of State, the municipalities became budget units for the first time in 2008 and 68 municipalities were chosen to pilot fiscal deconcentration and received in 2008 transfers directly from the state budget of around USD 5 Million. Although the legislation requires that each municipality have a strategic plan, annual plans and budgets, the quality of the annual plans varies across municipalities.

The government made a major policy shift in recent years which gives significant power over the planning, budgeting and coordination of local development to the Municipalities. It prioritizes supporting service delivery process reforms through process simplification, service delivery integration and monitoring, and to giving a greater role to civil society in service monitoring and delivery processes. From 2009 all municipalities (163) were transformed into budgetary Units and resources allocated to materialize local needs and demands. Nevertheless the political shift, there are challenges pertaining to low skills-base in the face of increasing demands for enhanced service delivery. Public administrative services to individuals are also still limited. Another major area of concern is the quality of public financial management. Weaknesses in civil service are accentuated by disfunctionalities in planning, budgeting, financial management, auditing and procurement systems and access to information and documentation to promote good governance and assessment of the development programmes. This leads to low service delivery efficiency.

This process involves that decentralized<sup>1</sup> institutions, either local offices of central government or local private and civil organizations (entrepreneurs, farmers, communities, associations, etc.) be provided with high power in decision taking. In Angola, the government has approved the law on Local Organs of State (Law 2/07). The Law defines the structure and organization of Local Organs of the state and enforces the municipalities as budgetary unities giving power to plan and define is priorities. The approval of the Law was a step towards increasing the authority of the provinces and municipalities. It also makes the municipality a budget unit for the first time and thereby legitimizes as a planning unit. These two elements strengthen the independence of the municipalities and shift some power away from the sectors towards the local territorial authorities.

The Law recognizes community authorities as interlocutors between civil society and Local State Organs, and provides for several duties to be carried out by the recognized community authorities, including: (i) disseminating government laws and policies to community members; (ii) tax collection; (iii) community engagement; (iv) traditional authorities; and (v) mobilizing and organizing communities for local development activities. The community authorities are entitled to wear uniforms and use national symbols. They also receive a monetary incentive from the Government.

## 1.2 DECENTRALIZATION AND LOCAL GOVERNANCE

Although enthusiasm for decentralization has by no means been universal, support for the idea has been particularly noticeable within the Ministry of Territorial Administration, Planning and Ministry of Finance. This has been based as much, if not more, on technical rather than political considerations. As the focus of planning switches from post-war reconstruction to medium to long-term economic and social development, the macro-

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<sup>1</sup> This is in part because the policy thrust seeking to empower the peasant communities is supply-led, and thus defined according to the terms and processes of external agents, including funders and central governments and their functionaries.

economic environment will require increasing rigor in the use of scarce public resources and will place a premium in particular on the development of new and improved procedures for the selection of public investments, the mobilization of local contributions and the promotion of private sector initiatives. Moreover, the planning processes also tended to be characterized by the lack of a strategic, integrated, multi-sectoral, coordinated, decentralized and participative approach. Planning tended to be vertical and top-down rather than horizontal and bottom-up, reflecting sector priorities established at the national level.

At the same time, the advent of the budgetary units improved forms of inter-governmental coordination in the planning and utilization of public resources. The commitment of the MINFIN to more decentralized forms of planning has been demonstrated in a number of recent studies and policy documents which collectively seek to develop a more coherent national framework for the gradual decentralization of national planning instruments, responsibilities and resources, together with appropriate training and capacity building interventions at the provincial and municipal levels. The Decentralization and Local Governance project and its framework are based on two key principles, which connect it to parallel reforms in the budget review and planning processes. These are (i) The need to harmonize and integrate the components of the national planning system into a coherent whole, and to avoid the proliferation of un-coordinated initiatives; (ii) The recognition of the distinct functions of the different levels of public administration in utilization of public finances.

In line with the decentralization platform, the project has, however, developed a set of manuals and guidelines for the gradual introduction of short, medium and longer-term municipal planning instruments, in line with the planning procedures currently operating at the municipal level. Such instruments include: (a) *The Technical Orientations (Guidelines) for Consultative and participatory mechanisms*, (b) *Development Plan, Municipal Annual Planning and Budgeting -- integrated Public Investment - Plano de Intervenção Municipal*. It contributed to a long-term and multi-sectoral strategic plan, designed to provide municipal diagnosis and the development options and priorities that would frame annual programming and budgeting exercises, (c) *The Investment Projects Portfolio --* which contains a number of investment micro projects identified during the consultative councils, and (d) *The Municipal Annual Plan and Budget Platform--* which contains the main social and economic objectives of the municipal for the current year by sector and sub-sector, as well as all the planned activities through which these will be achieved and through which progress will be monitored. These mechanisms are being replicated in other municipalities, through the Provincial Technical Teams.

### **1.3 INSTITUTIONAL CAPACITY AND TRANSPARENCY FOR SERVICE DELIVERY**

Given the newness of municipal planning and the lack of relevant skills at the provincial, municipal and community levels, the project places considerable emphasis on capacity building. This covers both (i) the development of appropriate systems, procedures and manuals; and (ii) the training of human resources. To date, a range of procedural and training manuals have been prepared by the Project on the various issues related to municipal planning, the annual project/planning cycle and dialogue with civil society. Training in relation to these issues is delivered through a cascade model, as follows:

- National Technical Team and Provincial Technical teams - are trained on the use of the methods and manuals appropriate to their areas of responsibility. Project staff and provincial technicians (with support when necessary) train: Members of the municipal executive councils and technical teams on municipal development planning and strategic planning;

- Municipal accountants (chefes de contabilidade) and other technicians on the new systems for tendering, contracting, financial disbursements and budgeting techniques in relation to the operation of FUGEM
- Members of the municipal technical team and Consultative Councils (CACs) on the use of participatory techniques.

To date the Project has organized more than 60 training of trainer's courses for Technical teams at national and provincial level, and over 20 training courses in the municipalities. In the process over 800 municipal technicians and over 50 provincial technicians have received training. In general, the cascade approach adopted by the Project has worked well. There is still scope for improvement in a number of areas, however. For example, the provincial Budget Department (Finance) has not been involved so far in the training that has taken place on the budget law, budget classifiers and budgeting techniques. The budget function is mostly carried out by GEPEs. Steps clearly need to be taken to ensure that staff from the Budget section is incorporated into the provincial planning teams.



(Manual on Strategic Planning)

In support of the capacity building, two manuals have been prepared: (i) Programmatic and (ii) Operational. As a complement a Framework was prepared. Initially, these were produced to local schedules as and when needed. Copies were submitted to the MINPLAN and MINFIN. The assessment examined the earlier manuals, as well as the new *Introduction to Municipal Planning* manual. In general, the team found the manuals to be very well presented (with clearly stated objectives and plenty of visuals and graphics), comprehensive in content, and pitched at a level appropriate to the capacity and understanding of the target audience (provincial and municipal level technicians). The Project is particularly impressed with the interactive approach adopted by the municipalities in using the manuals. In addition the manuals provide information, and also contain many practical exercises and leave space for notes and comments.

The Project is now engaged in consolidating and extending the existing manuals into four new ones which cover all areas of the Project's activities. These are:

- An Introduction to Municipal Planning; the Annual Planning Cycle; Strategic Planning; How to produce a Socio-Economic Profile; Participatory Planning and Objective Based planning; Budgeting and Financial Execution (2 manuals); Contracting and Contract Management; A Guide to Construction Standards; and How to Implement a Municipal Plan.
- *An Introduction to Municipal Planning*, which covers the context, origins, institutional framework and key elements in the municipal planning process. This has been completed and submitted to the national government for comment and approval.
- *The Municipal Development Plan*, which covers all the activities involved in the various stages of plan preparation and production, including the establishment and operation.
- *The Annual Planning Cycle*, which covers all the aspects of the annual planning cycle (diagnosis, identification, budgeting and financial management, tendering, contracting, implementation, and monitoring and evaluation).
- *Dialogue with Civil Society and other stakeholders*, which covers the nature and use of the new PRA techniques. Whilst these manuals are in preparation, the earlier ones are being used not only in 15 municipalities but also in a number of other municipalities.

## **2 DECENTRALIZATION AND LOCAL GOVERNANCE PROJECT**

### **2.1 PROJECT CONTEXT**

The Angolan Government program stresses decentralization and deconcentration of public administration as pillars of the State modernization process. The transfer of attributions and specific competences to local organs, legitimating and giving them instruments for the execution of services, constitutes an important basis of the local State organ strengthening. One of the aims of this process is to assure bigger community participation in the local governance and efforts to reduce poverty with the introduction and modernization of participative programming instruments, budgeting and public resource execution at provincial and municipal levels. Within this ambit the Angolan government embarked on a process of administrative decentralization of some responsibilities at central level to the provinces, municipalities, and communes, having as the first step to deconcentration of functions into a local governance system accompanied by the strengthening of local administration capacity.

This process implies bigger responsibility from the local state organs, the betterment of skills and qualifications of human resources, articulation rehearsal between the State administration and local communities the transfer of financial resource means to municipal administrations under the decree-law 2/07 conjugated with the decree 8/08, aiming at a betterment of basic services offer and community life conditions (education, services of health, commercial activities, public transports, access to drinking water). Therefore, under the project of decentralization and local governance, priorities are for training staff from municipal administrations (participation and consultations emphasizing the gender, planning and strategic and annual budgeting, public accountancy and municipal finances, human resource management, patrimonial management and management of infrastructure cycle), aiming at promoting the process of national reconstruction, governance and local participative development.

The project will enhance local governance effectiveness (strategic planning, governance and resource mobilization capabilities) as a contribution to economic growth and poverty reduction as well as consolidate and expand the successful local governance experiences in the country towards institutionalizing the participatory approach in the national development planning agenda. The proposed project will support other decentralization initiatives through provision and reinforcement of the capacity of the Local actors and public servants It will focus on institutionalize the national framework for capacity of provincial and municipal governments in actively identify, design, and implement local governance and development plans, prepare municipal profiles and development plans consistent with evidence-based policy and capacity development.

### **2.2 ABOUT THE PROJECT**

The Overall *Strategic Objective of the programme is to increase efficiency and effectiveness in service delivery by local governments.* The project is a component of the decentralization and local governance programme, which focus on building capacity of local administrations (in 15 municipalities) to address effectively the principle of good governance and participatory Local Development. Specifically, this component or proposed project intends to identify policies and instruments that will lead to facilitate integration of systems, consolidate practices and promote policy dialogue, learning and knowledge for the future trends of decentralization and deconcentration process in Angola.

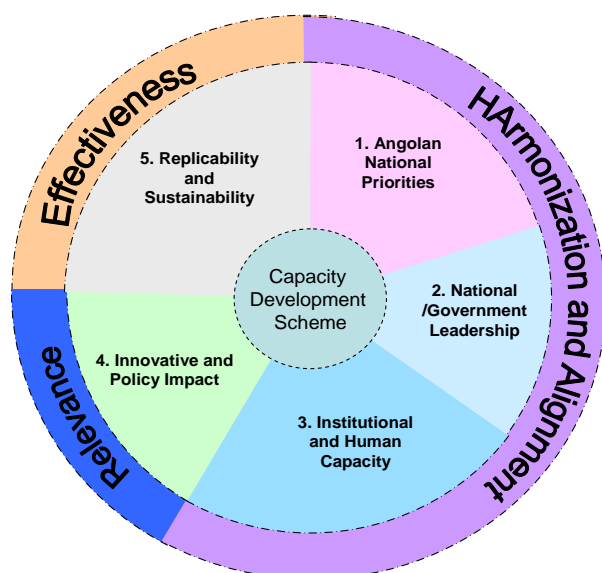
The fundamental focus of Phase II is therefore to strengthen the capacity of Municipal Administration in 15 Municipalities through institutional strengthening, capacity assessments, training, coaching, mentoring and establishing systems and procedures to manage resources for effective service delivery. The Phase II also focuses on sensitization and information dissemination on financial deconcentration and on empowering the



communities in the 15 Municipalities for greater direct participation in public service delivery and local development for poverty reduction

The Project seeks to support the selected municipalities, by motivating local communities and civil society to demand better services and to contribute to the delivery of those services, and also stimulating sustainable local development. This is being done through implementation of capacity development in targeted local administrations. The capacity building focus is in formulating respective MDG-based and gender responsive development plans, targeting organizational issues as well as technical aspects such as participatory planning and budgeting, fiscal deconcentration, public finance management and community participation in local governance, with specific emphasis on gender. These plans are being vertically and horizontally integrated into the planning and budgeting system at municipal level. This approach is being complemented by operations methodologies for **Multi-year Investment Plans (MIP)**, which operationalize the strategic plans by programming the investment needs and investment resources to be mobilized over the years and guides for annual planning and budgeting.

The key project principles are:



1. **National Priorities: Harmonization and Alignment with the national systems and procedures:** National agenda, harmonization and alignment with national priorities, systems and procedures - Simplify processes and coherence with national frameworks.
2. **National leadership:** Strong political will, & commitment to act as the key driving force. Commitment and participation of national counterparts in the management or implementation

**3. National Capacity Building:**

Focus on national and local capacity development to achieve national development outcomes - Holistic and integrated strategic approach

4. **Innovation & policy impact:** Promote strategic dialogue - Strategic partnerships , lessons (evidence based) and best practices (laboratory)
5. **Replication & Sustainability:** Ensure relevance, *continuity* and integration (tested models) into national processes and frameworks - Creating the enabling environment for sustainable CD initiatives.

The fundamental focus of the project is therefore to strengthen the capacity of Municipal Administration through institutional strengthening, capacity assessments, training, coaching, mentoring and establishing systems and procedures to manage resources for effective service delivery. The project covers officially 15 municipalities in 5 provinces (Bie: *Camacupa, Kuito and Andulo*; Uige: *Sanza Pomba, Negage, and Uige*; Malange: *Cacuso, Malange, and Calandula*; Bengo: *Dande, Icolo e Bengo, Ambritz*, and Kwanza Norte in *Cazengo, Kambambe, Ambaca*).

The project will contribute to building capacity of local administrations (in 15 municipalities) to address effectively the principle of good governance and participatory Local Development. The programme focus on building capacity of provincial and municipal

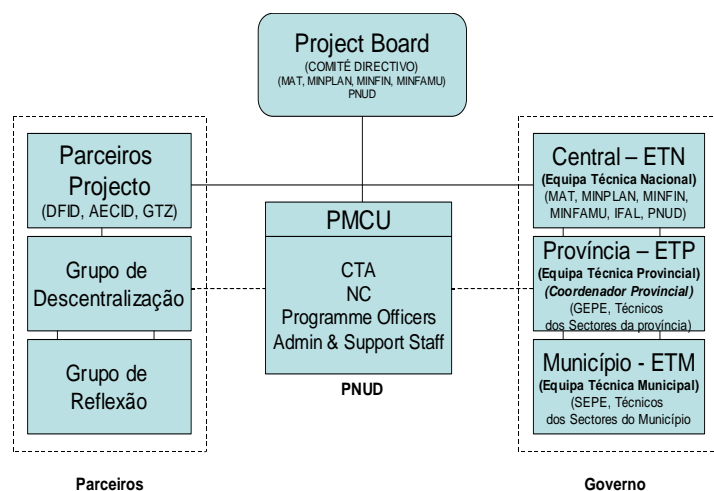
governments in actively identify, design, and implement local governance and development plans, prepare municipal profiles, development plans consistent with evidence-based planning and effective and efficient public finance Management.

### 2.3 THE PROJECT INFRASTRUCTURE

In July 2008, the Ministry of Territorial Administration (MAT), the Ministry of Finance (MINFIN), The Ministry of Planning (MINPLAN) and the Ministry of Women (MINFAMU), launched the 2<sup>nd</sup> phase of the decentralization project covering 15 municipalities of the provinces of Uíge, Bengo, Malanje, Kwanza Norte and Bie. At provincial level, the programme is being executed by the Provincial Directorate of Planning (GEPE), as an integral part of the provincial planning and municipal development. The Project is a joint initiative of the DFID, Spanish Cooperation and later the Embassy of Portugal (DGTTT 2009). A technical assistance component, partly funded by the UNDP, operates alongside these initiatives with the principal objective of building capacity and creating the conditions for the permanent continuation of such transfers of capacity to local level. Although originally scheduled to cover 15 municipalities, the Project is currently operating in 36 municipalities.

The project is catalytic in mobilizing government and local stakeholders to promote effective local governance and strengthening capacity at the municipal level in an integrated and harmonized manner. It involved a range of partner's engagement and the participation of target communities, the commitment and engagement of civil servants. The project infrastructure and its implementation framework were being vital to materialize the expected results and government's ownership. The first step to concretize this intention was the establishment of the **Project Board** (to make sure that the project is aligned with the national priorities, systems and procedures) and later the establishment of the **Technical Teams** (to ensure sustainability, replicability based on best practices and government commitment in all steps of the project implementation, monitoring and evaluation). The Technical Teams were established at central, provincial and municipal level and are composed by government officials from different sectors, as described in the Annex 1).

The role of the Technical Teams is to ensure that the project is implemented with involvement of the government counterparts and to make sure that all steps of strategic planning and budgeting cycle are followed in a participatory and inclusive manner. The teams were *trained as trainees to provide support to the sectors at provincial and municipal level* and to ensure project implementation vs sustainability (*in the cases of turnover, replacements are found locally*).



The Decentralization and Local Governance Project, under MAT leadership and UNDP support in partnership with Spanish Cooperation and DFID covers a total of 18 municipalities of 5 provinces: Uíge, Bengo, Kwnaza Norte, Malange and Bié. The project implementation strategy is based on the establishment of technical teams at provincial and municipal level. It lies on the **Provincial Technical Team** led by GEPE<sup>1</sup> and composed by technicians from different

province sectors. The responsibility of Provincial Technical Team is to ensure the process of sector based planning (in the sectors related, and the provincial planning process (harmonization and globalization of the sector based and territorial plans) (b) assure the

formulation of the annual plan and provincial budgeting, have the responsibility to assure and assist the municipal technical teams; (c) assure the project activity accompanying at provincial and municipal level.

The municipal technical team (under coordination of Municipal Planning Section, is composed by technicians from different sectors of the municipality), with the responsibility of: (a) ensuring the process of sector based planning (in the sectors related) and the provincial planning process, harmonization and globalization of sector based and territorial plans); (b) assuring the inclusive dialogue and community effective participation in the planning and budgeting processes; (c) provide technical and methodological support to the communes and the functioning of CACS; (d) assure project implementation at municipal and communal levels.

## 2.4 CAPACITY BUILDING STRATEGY:

Within the ambit of the widening of budgetary units from 68 municipalities for a national coverage of the 163 municipalities it is necessary the harmonization and methodological institutionalization of planning, budgeting and public management therefore, in the 5 provinces the project is going to explore experiences and practices and ensure technical support to provincial governments in order to extend the coverage to the municipalities through the provincial teams, that constitutes the first replica rehearsal of the methodological basis to provincial scale. The provincial and municipal governments face emergent needs of perfecting and organizational strengthening, the system establishment and management procedures, as well as the municipal accompanying, through training, coaching and mentoring sessions addressing key areas such as planning, budgeting, financial management and accountancy, human resources, auditing and development and project programming.

The project adopted an innovative training and capacity building strategy - Deliverables Oriented Training (DOT), addressed to provide guidance and tools for desired products/results (e.g. municipal profiles, Municipal development plans, etc), according to the 6 key municipal functions enacted in the Law 2/07 and summarized in one single frame: The MENU framework is an expression of the 6 key municipality functions and was built based on the capacity assessment conducted in all 15 municipalities. It represents the critical demanded capacity and essential constraints that municipal administrations are addressing.

The MENU is an integrated frame, which provides **what are** the nuclear municipal administration functions and **how to** materialize (tools applied in practice to produce specific deliverables) subdivided in six different components. It encompasses: (a) components, (b) functions, (c) steps and (d) technical annexes/guides. Horizontally, the chain of the functions defines the **PROCESS**, subdivided in two components: Programmatic and operational. The programmatic component comprises the following functions (i) Consultative councils - CACs and local forums (Participatory mechanisms, representativeness and inclusiveness), (ii) Municipal Strategic Planning cycle - Diagnosis, data collections, Municipal Profiles and Municipal Strategic Plans, (iii) Municipal Annual Planning Cycle - Annual plans and budgets and Investment portfolio (*Plano de Intervenção Municipal*).

The Operational component comprises: (iv) Accounting, public finance management (including local revenues), (v) Municipal administration and Development, and finally (vi) Infrastructure execution cycle. Each component is then broken in steps. Vertically, the framework defines the **COMPONENTS**, where each Function is translated in a chain of different Steps needed to materialize the deliverables. For example, the strategic planning cycle, covers 6 different steps: (1) Technical and community consultation, (2) Municipal Diagnostic (Inventory and data collection), (3) elaboration of the Municipal Profile (*based on the diagnostics*), (4) Elaboration of the Municipal Development Plan (*based on the municipal profile*), (5) elaboration of the Annual Plan and Budget (*respecting the*

identified and prioritized activities during the consultative councils and stated in the municipal strategic plan as the key priorities), and (6) the Monitoring and Evaluation framework.

To operationalize the framework, two manuals were elaborated to guide the municipalities and simplified templates for Municipal Profiles and Strategic Plan were also formulated and used as standard format for all municipalities. Based on that, were conducted 26 training sessions covering strategic planning and operational cycles for 842 participants from Provincial, Municipal and regional level during 264 hours.: The training sessions focus specifically on tools related to each step (e.g *for data collection, the tool applied is the Participatory Rural Appraisal*). The functions and steps are then translated in **guidelines** and respective **technical annexes** with links to facilitate the learning process (regulatory framework, norms and detailed step-by-step guides).

In sum, the project will support the decentralization process through (a) supporting implementation of a national decentralization strategy and framework (b) development of human resources/capacities for decentralization; (c) promotion of inclusive and meaningful participation in the process of decentralization and dissemination of information about this process; and (d) creation of pilot national programme on fiscal decentralization.

### 3 ACHIEVEMENTS

It was concluded the first stage of capacity building - *Programmatic Chapter* - and realized in Malanje province a balance seminar. Within the Programmatic Chapter, the emphasis of capacity building went to strategic planning, programming and annual budgeting cycle, aiming to ensure: (a) consultative and participatory processes (functioning and organization of CACS at provincial, municipal and commune levels, as well as the representativeness and social dialogue mechanisms at population, village and community levels); (b) municipal strategic programming instruments - participatory diagnosis, municipal profile and municipal development plans; (c) Annual programming and budgeting Cycle - methodology and instruments of elaboration of the annual activity programme and municipal budgeting, - Oriented to Programmatic Budgeting. Specifically:

- a) **Participatory and Consulting Mechanisms:** regarding the mechanisms of community participation and consultation, were mainstreamed the mechanisms of participation and community consultation and assured to communal level the participatory exercise through CACS. Were mainstreamed the planning participatory mechanisms with the gender issues into the local governance processes, enhancing the representation of women in community consultation and participation forums.
- b) **Strategic Planning Cycle:** For elaboration of municipal profiles, were introduced technical tools for participatory diagnosis (Rural Rapid Appraisal) for information gathering and systematization - (SWOT Analysis), complemented by other instruments and models of programming such as Territorial planning techniques. Throughout the Annual Review meeting, it was referred the eminent role of the national team on the actions of training and accompanying of provincial and municipal teams in order to assure quality control, advising and a pedagogical inspection on the municipalities, given the complexities of the processes. It is expected that at provincial level at least 3 municipalities have elaborated their profiles by the end of the year.
- c) **Annual Programming and Budgeting Cycle:** regarding the annual programming and budgeting were introduced methodological instruments for integrated municipal development planning. The instruments presented and experimented allow all infra structures to be identified for the year 2010 in a participatory manner, and to be synchronized along with the log-frame and vision of municipal development medium term (E.g. infrastructure building aligned with the province priorities and based sector strategies)

For both strategic planning and annual programming and budgeting cycles, were developed template for facilitating and guiding the municipalities in elaboration of profiles, Strategic Plans and Annual Programming and Budgeting.

Aiming at beginning the second capacity building stage - *Operational Chapter* - a joint mission composed by MAT, MINFIN and UNDP technicians, conducted an assessment in Malanje, kwanza Norte, Bié and Benguela Provinces aiming to expedite a circuit, flux and programming of local revenues, as well as the current management platform for accounting, finances and internal control, patrimonial management and human resource management and infrastructure Project management. This assessment constituted the first step for the introduction of methodological basis and operational instruments for municipal management.

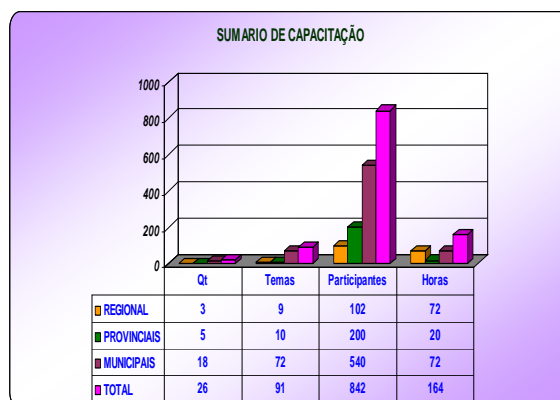
### 3.1 Institutional and Human capacity Development Component

The project institutional framework was a **premier model** (recognized nationally) for Local governance, that built and maintained meaningful partnerships that is providing capacity development, professional development, research-based information and innovative solutions, to serve the existing and emerging needs of Local administrations management professionals, and prepare future generations of local government leaders and administrators, which is the flagship and excellence UNDP initiative and dominant pro-poor and local development policy relevant domain for the period under consideration.

The project infrastructure and its implementation framework were vital to materialize the expected results and government’s ownership. A framework for a rapid and external capacity assessment had been prepared with the objective to identify from an expert viewpoint the strengths and weaknesses of the partner municipalities, and thus guide the project implementation. Some field visits have been conducted in all 5 provinces and 15 Municipalities. The analysis and findings reveals that in general, the all 15 municipalities covered by the project, are still running under the framework of Decree Law 97, but important steps have been taken to evolve towards the new legal framework. Capacities vary greatly from one municipality to the other.

Some seem to be able to function as Budgetary Units with a little technical support and intensive training, but others are lacking human resources and adequate technical capacity and will require a lot of support to take over their new responsibilities. Institutional technical support was guaranteed with provision of substantive equipment - Vehicles, Motorbikes, computer, Printers, Photocopy Machines and other - for 9 municipalities of Malanje, Uige and Bengo. The Consultative Councils (CACS) have been formed and meet as per the regulation, every three months. Its functioning is quite similar to an enlarged municipal council and is an opportunity for dialoguing and consulting external partners. The civil society is not yet well structured and interacting with the administration.

The SEPEs<sup>2</sup> have coordinated and given the impulse to technical aspects in many municipalities. The five years plans are mostly a list of needs with priority settings, turned at a later stage into a budget for rapid investment. Though conducted internally within the administration, it demonstrates the ability of the local staff to handle increased responsibilities. The municipalities are still engaged and opened to a true participatory planning approach.



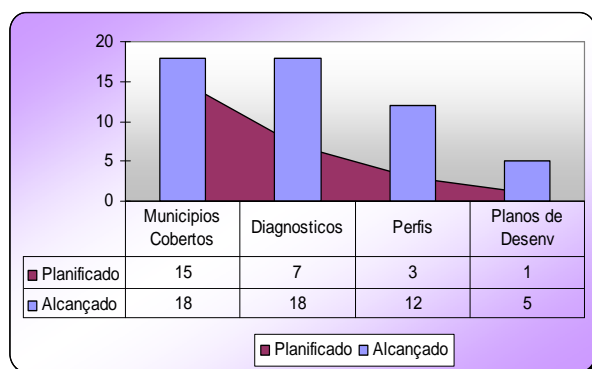
<sup>2</sup> Secção de Estudos, Planeamento e Estatística

The linkage, support and consent of the provincial level are still sought constantly.

In general, this component was an excellent **integrated prototype** for evidence-based local governance platform, to promote local governance (capacity development for participatory planning, to improve transparency, social accountability, create an atmosphere of trust, confidence and collective team spirit). As result, were conducted training sessions covering strategic planning and operational cycles. This investment should result in substantially improved participatory structures and potential delivery of local governance outcomes by fostering partnerships with local stockholders and crescent involvement of higher education institutions, local government managers and staff, graduate students, private sector firms and groups and Civil Society Organizations at all levels to achieve a balanced learning experience.

In general, the assessment found that all 15 municipalities covered by the project, are still running under the framework of Decree Law 97, but important steps have been taken to evolve towards the new legal framework and strengthen their capacity. Institutional technical support was guaranteed with provision of substantive equipment - Vehicles, Motorbikes, computer, Printers, Photocopy Machines and other - for 9 municipalities of Malanje, Uige and Bengo.

In almost 18 months, technical teams were established in all municipalities and in five key provinces covered by the project. The municipalities have now put in place the Consultative Councils (CACs), a network of groups to actively consult with their constituencies, although representativeness still to be enhanced. In all focus municipalities were trained the Consultative Councils (CACs) and established at communal level in 2 municipalities. Based on the above mentioned standard format (templates), technical orientation workshops were commutated in Luanda (IFAL), Barra do Dande (Bengo) and Cambambe (Kwanza Norte). As result all municipalities conducted local consultations and diagnosis in all municipalities and consultative mechanisms established at communal level.



A Technical and Quality Review Meeting will held in February 2009 to assess the current stage of elaboration of profiles and Strategic Plans. The project is contributing to reinforce administrative procedures and financing mechanisms to ensure that *development priorities* are planned and carried out in a participatory manner and that *local infrastructures* are executed effectively following the normative and technical procedures with active participation of local communities in identification and

prioritization). In terms of straightening Local Finance Management and accounting, it was elaborated the first edition of the Local Finance Manual and conducted a training workshop with all municipalities in Malanje with 45 participants. The training workshop was organized jointly with the Minister of Finance.

**Sub-component I: Center of Excellence in Public Policies and Local Governance**

Under the DGTTF 2009, in partnership with the Portugal Embassy, the project is establishing a Center of Excellence in Public Policies and Local Governance in partnership with the University Agostinho Neto and a research Pole in Kwanza Norte, both for a constructive policy dialogue and participation, adoption, institutionalization and replication of a harmonized and integrated mechanism for services provision and capacity development, by:

- a) **Consolidating and expanding Local Governance Practices**, in order to improve the effectiveness of the overall *governance and management capacity*, enhance transparency, enhance the poverty reduction strategy, and provide an opportunity for

all municipalities to use and adopt the framework and the main tool for local development planning, budgeting and management with corresponding benchmarks, results indicators and a learning program. It includes support to territorial networks for local governance and development of local governance frameworks with inclusion and participation of women, youth and minorities.

- b) **Facilitating Local Governments access to a broader range of knowledge and capacity development options**, in order to enhance the capacity of local administrations in a more comprehensive framework focusing on improving local resources mobilization (income generation), planning, budgeting in a participatory and inclusive way. In particular, it will support municipalities to improve local level capabilities through enhancing the Planning Cycle and Public Finance Management, expanding the local revenue base, asset and liability management, supporting cash and investment management, promoting transparency and information disclosure, introducing relevant government tools, and expanding knowledge on the local finance instruments.
- c) **Institutionalize Local Governance framework and facilitate Policy Instruments:** (1) in the short term, integrating the Capacity development framework and *resource hub* as the national platform to assist all 164 municipalities. This effort will be implemented through the establishment of the Provincial technical teams in all 18 Provinces that will assist the municipalities in all planning cycle and management processes, and (2) in a medium term, operational support to implement and manage local development projects and facilitate knowledge sharing, and ensure the quality of the municipal service delivery.

#### **Sub-component II: Global Programme on Democratic Governance Assessment**

Under the Global Programme on Democratic Governance Assessment, in partnership with the Oslo Governance Center, the project is addressing capacity for Pro-Poor and MDG-based Statistics and data management systems at municipal level for evidence based planning, monitoring and local development, by enhance the capabilities of INE at Central, provincial and Municipal level in social statistics collection and dissemination through institutional strengthening and capacity building. Specifically this innovative approach will lead to:

- *Enhance INE's capacity in producing users' demand-driven statistics.* This will be achieved by improving the methodologies and procedures employed in conducting household surveys to provide up-to-date data needed for policy and decision making. A Users' Group will be established to achieve this objective and periodic interaction with users', as well as primary data produced will take place.
- *Enhance the capacity of INE's staff.* This will be carried out through developing and implementing a training plan for INE's staff and for statistical staff at provincial and municipal level in data collection and analysis and to develop more reliable information systems.
- *Implement an advocacy strategy for INE to publicize its work and enhance its interaction and linkages with data users.* This will be achieved by developing the processing and presentation of published social data to become more user-friendly and responsive to users' needs, and producing a quarterly bulletin and an improved web-site.

In Angola the last CENSU was in 1970, meaning that the country is facing serious problems with regard availability of accurate statistical data. While the government is giving priority to strengthening data collection and statistical systems to support monitoring social development goals; and encouraging the expansion of databases to incorporate socially beneficial activities, municipalities are lacking data for planning, monitoring and evaluation. The project will support improvements in the gathering and dissemination of social statistics indicators, whether in areas of comprehensiveness of data, user-friendly data, or an improved advocacy role of INE's operations and contributions. In the short-

term, resources availability will limit the number of capacity building activities that can be undertaken by this project. The technical skills of INE staff would have been enhanced through the undertaking of intensive training, study tours, research and workshops on the collection and dissemination of social indicators to enable the staff to plan and execute their surveys professionally.

The innovate the statistics intervention by full engagement of users and producers of primary data groups through the implementation of users' groups workshops, and information access resulting in the production of user-responsive and friendly data, and the establishment of mechanisms for continuous interaction with data users' and data producers. An advocacy campaign for INE to publicize its operations and initiate a direct interaction with users, decision-makers and the wider public is institutionalized and INE's existing web site will be further developed to more efficiently publicizes the operations of INE, and links it with data users.

### **3.2 Planning and Budgeting Component**

In terms of Planning and Budgeting component, at least 5 municipalities developed (by own) their strategic plans being refined for publication in 2009. Other 12 municipalities elaborated in a participatory way their municipal profiles and in general all conducted the municipal diagnostic with participation of local communities. The Planning and Budgeting component was a **prospective paradigm** that contributed for learning and knowledge based practices transfer; on participatory and consultative mechanisms based on local governance evidence in experiences generated in the 18 Municipalities. During 2008-2009 were elaborated 35 draft Municipal profiles; 5 municipalities with the draft Municipal Development Strategic Plans and around 33 have elaborated their Annual Plan and budget for 2010. This approach was complemented by methodologies for Multi-year Investment Plans (MIP), which operationalizes the strategic plans by programming the investment needs. The project developed an integrated platform for Planning and Budgeting - SIPOGEM (*Sistema de Planeamento, Orçamentação e Gestão Municipal* - Planning, Budgeting and Municipal Management System) and submitted to the Ministry of Planning

The Planning and Budgeting component entailed 5 positions of provincial coordinators with the responsibility to provide technical assistance. In the mean time, further discussions have been held with MAT in view of comforting the integration of DLGP interventions in the programmatic and strategic instruments developed by the Ministry for financial deconcentration. As one of the expected results of the DLGP is to strengthen the capacity at provincial level to backstop, provide technical assistance and monitor the municipalities, in all technical areas, MAT has suggested that the provincial Coordinator should be identified within the provincial government, and thus building capacities directly in the public administration framework. So far only one provincial coordinator has been appointed. MAT has demonstrated further commitment to integrate the project within its own strategy for the decentralization in providing support for the installation of the project at provincial level.

Regarding the annual planning and budgeting exercise were organised methodological and technical orientation workshops and coaching sessions. Tools and techniques for data collection, systematization, analysis, and dissemination were introduced in all 36 municipalities. From this exercise it is expected that by December 2009 a total of 41 municipalities, representing 72% of the total 5 province municipalities have elaborated their Annual Plan and budget for 2010. This approach was concluded by methodologies for Pluriannual Investment Plans, which operate the strategic plans programming at the level of investment needed. The table below shows the results related to the Programmatic Cycle.

The platform is being used to capacitate the municipalities being an integrated framework for Strategic Planning, Annual Planning and operational framework for municipal management (accounting, revenues, monitoring, public finance, and public bids). Given



the increased number of municipalities integrated into the project with assistance of the National Technical Team, additional technical support were mobilized to support the Group B of municipalities. The table below shows the progress registered by the Project.

Provinces	Total Municipal	DIAGNOSIS	MUNICIPAL PROFILES		STRATEGIC PLAN		ANNUAL PLAN AND BUDGET 2010	
		Municipalities	Done	%	Done	%	Trend*	%
Uige	16	8	7	43,75%	2	12.5%	7	43.75%
Bengo	8	6	5	62,50%	1	12.5%	7	87.50%
K. Norte	10	6	6	60,00%	1	10.0%	8	80.00%
Malange	14	8	6	42,86%	0	0.0%	10	71.43%
Bie	9	9	9	100,00%	1	11.1%	9	100.00%
<b>Sum (5 Prov)</b>	<b>57</b>	<b>37</b>	<b>33</b>	<b>57,89%</b>	<b>5</b>	<b>8.77%</b>	<b>41</b>	<b>71.93%</b>
Country	163	22,70%	-	20,25%	-	3,07%	-	25.15%

The project foresees three levels of coordination and management: (i) A national technical team led by MAT and composed by MINFIN, MINFAMU and UNDP; (ii) The Provincial Technical Team, led by GEPE and composed by provincial directorates of relevant public sectors (finances, education, health, agriculture, Family & Woman); and (iii) the Municipal technical Team led by SEPE and composed by the municipal sectors.

The main responsibility of the National team is to provide technical assistance and coaching at provincial and municipal level and promote policy dialogue at central level. This approach allowed municipalities to build themselves capacity to conduct such exercises for this cycle and the following cycles. To support this effort and standardize the approach, as part of the capacity development strategy, were elaborated templates (uniform formats) to support and facilitate the Municipal technicians to conduct municipal Profiles and Development Plans. It was prepared the 1<sup>st</sup> Edition of the Manual in Strategic and Annual Planning and Budgeting with emphasis on Consultation, Diagnosis, municipal profiles and strategic plan.

Specialized company (CESO CI) was contracted to provide technical support of the project in municipal strategic planning and institutional capacity development. The contractor will be responsible for delivering training and coaching to municipal administrations. After a long and participated process call for proposals, a contractor has been selected to support municipalities in the implementation of the Planning and Budgeting component.

Provinces	Total Municipal	Jun- 08	Sep- 08	Dec- 08	Jan- 09	Mar- 09	Jun- 09	Dec- 09
Uige	16	3	4	4	4	7	7	7
Bengo	8	3	3	3	3	6	6	6
Kwanza Norte	10	3	3	3	3	6	6	6
Malange	14	3	3	4	4	6	8	8
Bie	9	3	4	4	4	6	9	9
<b>Sum</b>	<b>57</b>	<b>15</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>31</b>	<b>36</b>	<b>36</b>

As part of the capacity development strategy, were elaborated templates (standard formats) to support and facilitate the Municipal technicians to elaborate themselves municipal diagnosis, Profiles, Development Plans and Annual plans and budget. This approach allowed municipalities to build themselves capacity to conduct such exercises for this cycle and the following cycles.

To facilitate and harmonize the approach 3 templates were introduced for preparation of municipal profiles, municipal development plans and annual planning and budgeting and trained all technical teams at provincial and municipal,



Tests are being taken in view to introduce the platform at provincial level. This exercise is being initiated at Bengo Province where in collaboration of the provincial technical team, a provincial profile is being formulated. here is also agreement that UNDP's success is in spite of the government's 'gradualist' approach to decentralization, which contributes to progress in institutionalizing local planning. The positive impact of UNDP supporting has won extensive support of the Government and its programme content and methodology is now incorporated in the Government's policy (National Planning System). Its model for training district level officials is being replicated rapidly throughout the all 5 provinces. The UNDP experience in Angola promoted innovative exercise in terms of planning and financing system at the municipal level.

### 3.3 Fiscal Decentralization and Public Finance Management Component

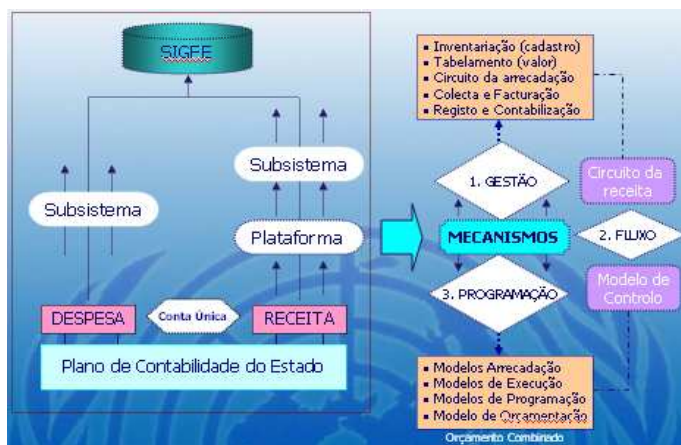
Specific initiatives to transfer greater responsibilities to provincial and especially municipal levels are anticipated for all sectors, complemented by increasing organizational integration and more discretionary access to greater resources at local level. In Consultation with MINFIN, the implementation arrangement for the Financial Management and Public Accounting component is being implemented jointly by UNDP and MINFIN. In terms of provision of training and mentoring for accounting and financial management, a regional training workshop were organized in Malanje to introduce the basic concepts of Public Finance Management, Local Finance, Programming and Budgeting, Budgeting execution and Government Systems and Procedures for financial Management.

To support this effort, a technical manual covering the key operational municipal functions was elaborated based on capacity assessment conducted in all 15 municipalities. The Manual is the 1<sup>st</sup> Edition of Local Finances, Accounting and Public Finance Management with emphasis on Public Finance Management, Budget planning and execution, municipal accounting, revenue mobilization, human resource management, municipal management and procurement of goods and services. MINFIN is supporting the project with 3 focal points providing training in accounting, financial management and SIGFE as part of their role, thus rejecting the idea of having a sub contractor implementing the component. This component is seen as being **catalytic framework** to mobilize and build frameworks that will lead to promote local governance revenues and effectiveness in budget execution. The project is introducing innovative tools to foster local governance and accountability as the geneses to promote transparency and efficiency of public resources.

In terms of revenue mobilization and management, is prevalence weak capacity in all municipalities for collect and manage local revenues. UNDP jointly with the Ministry of Finance conceptualized the 1<sup>st</sup> draft of the framework for Planning, Accounting and revenue management. The system will be adopted to facilitate the budget planning and execution in the framework of the annual plan and municipal strategic planning. This approach allowed municipalities to build themselves capacity to conduct such exercises for this cycle and the following cycles. In light of this framework, the project is supporting national methodologies; technical arrangements are now on going for the delivery of technical assistance, training and mentoring in Financial Management to the provinces and municipalities

A study was undertaken on municipal revenue generation, collection and management by a MAT, MINFIN and UNDP team aiming to analyze the municipal public revenues flow and mechanisms, and to identify the main constraints related to collection circuit, financial records, public accounting, as well as understanding the implications within the annual programming and budgeting cycle. The study analyzed the municipalities of Cacuso in Malanje province; Cambambe in Kwanza Norte province, Benguela and Lobito in Benguela province and Andulo in Bié province, municipalities with different characteristics and economic activities. The study found that expressive volume of resources allocated to the municipalities is come from the State Budget transfers. In general, the local incomes are collected and channeled to the unique treasure account, and that the flow and accounting mechanisms are also differentiated not obeying what was ruled within Executive Decree 332/08 of 26th December.

The study found that one key lesson indicates the worldwide financial crisis, conjugated with the oil and price fall in the international market; the immediate effect is the State budget deficit which means either the cost reduction or income increase to keep an acceptable service provision level. So, the municipalities will have to devise funding alternative sources for their activities. As alternative ways of mitigating the effects and press the municipal incomes, the study identified as alternative sources for enlarging the current activity tribute (like tourism incomes, local taxation, etc), and investment activity related to reproduction (chain of values and products) - local economical development initiatives.



One of the implications in the cycle of annual planning and budgeting is that, with the increase of number from 68 to 163 Budgetary Units, is shown relevant the definition of criteria for budgetary allocation (limit fixation) for the municipalities. It was seen that incomes which come from taxes (licenses, emoluments, rural activities) if consigned in favor of the municipalities, it can contribute for the budget of municipal

Administrations, yet, the lack of legal device limits such opportunity. The study identifies tree different mechanism for municipal revenues: 1) Management Mechanisms, 2) Processes (the flow) and 3) Programming and planning mechanism. The study recommends the conceptualization of a platform for municipal revenues collection and management synchronized with SIGFE (Public Finance management system) in Angola.

### 3.4 Gender and Participation Component

In general, participatory planning process is still weak in many municipalities. The civil society itself lacks dynamism, with no prominent local CSO/NGOs involved in development activities. Many NGOs operates on “emergency models” and disarticulated with government systems. There is no forum, which could stimulate and energizes the CACS. As a consequence, the planning process is still totally driven by the administration, and there is no prospect of collaboration for execution, monitoring and accountability mechanisms towards the population.



The municipalities recommended that the project should provide technical and specialized support operating from provincial level, and providing regular assistance to the Municipalities. Gender component focus is to ensure integration of planning and budgeting aspects into provincial and municipal strategic and annual planning cycle as well as improvement on participatory and consultative mechanisms. The Decree-law 2/07 is an important step forward integration of gender aspects into planning and budgeting. It institutionalizes the Consultative mechanisms at provincial, municipal and communal level. During the launching of the project, it was found that different approaches in terms of consultation and participation mechanisms are in place adopting different models. The municipalities recommended that UNDP should have a harmonized approaches and a study, which would propose a single model for community participation, is important.

The Gender component demonstrated that combining gender with participatory approaches can strengthen both gender and participation, grounding gender in the realities of people's lives, and making participation a more effective channel for the expression of marginalized people's demands. In Kalandula municipality, was found that gender is still an issue to be advocated, since cultural dimensions limit the influence of women in public meetings, even recognizing that mainstreaming of both approaches (cultural and social) can increase the quality of public debates and programme outcomes.

Recognizing such limitation, organized Technical Orientation Workshops brought municipal staff and administrators (3 member per municipality) to discuss the community consultative mechanisms applied for gender sensitive planning. Project staff trained municipal officers in Participatory Rural Appraisal (PRA) and gender analysis, and then the trainees conducted diagnosis in 12 municipalities focused on gender analysis in Planning and Budgeting. Desegregated data by gender and sex was the main issues discussed in terms of data analysis for gender related planning, monitoring and evaluation at local level.

Gender Focus Workshops were also organized in all 15 municipalities in view to build women's confidence to participate in 'public spaces' and participate in 'public' decision-making. This intervention increased the perception of the relevance of women's effective participation. This required actions that made the benefits of participation visible, not only to women but also to men in the community. This was done by improving the flow of information between CACS members, particularly women, and by showcasing examples of successful and effective participation of women in public decision-making structures, such as water management committees, school boards etc. as well as by exploring to what extent gender equality can be introduced in the locally defined priorities. Ensure that women's organizations and gender equality advocates in the community are included in policy dialogues and decision making with local and provincial government. This stimulated representation of women and discussion of related issues in CACS and planning processes.



It will involve a range of partner's engagement and the participation of target communities and strengthening capacity at the municipal level in an integrated and harmonized manner. The new framework will focus on improving the quality and better public services by bringing together national and local commitment standards for local governance. A study visit was undertaken to Brazil to assess the participation and gender related experiences in local governance. The Brazilian model is based in inter-sectoral committees and the consultations are focused on specific issues. There is no framework for public consultation, similar as stated in the country.

As part of the integration of gender perspective into local governance, the Project is supporting the formulation of the Gender Policy and its implementation Strategy in Angola. A guideline for municipal Consultative Councils (Local forums) were elaborated and submitted to the Ministry of Family and Promotion of Women (MINFAMU) to support participatory planning that is a strong element of community consultation and involvement in local governance processes.

### **3.5 Coordination, Monitoring and Evaluation Component**

Decentralization programs demand a high degree of capacity for effective implementation. Under Phase II agenda, starting in 2008 until 2010, the DLGP Unit has prepared a comprehensive Implementation Plan, composed by 5 key outputs based on recommendations and findings of the Mid term review conducted in late 2006. In response to concerns from the Provinces, the desire by MAT to increase the number of Municipalities in the DLG Project to achieve greater impact, the Phase II of the Project, the number of municipalities was expanded from 4 to 15 Municipalities.

While upgrading capacities for the management of Public Expenditures Cycle remains a pressing priority, the DLG will strive to invest in sustainable capacity development of Municipalities as organization, and continue to foster people's participation in local governance process and gender mainstreaming in all interventions. The project initiated the phase II, which includes costs of setting up the Technical Unit, equipping piloted provincial or municipal Government and the implementation of initial and preparatory activities that will lead to the implementation of the project.

During these past months a lot of time was spent of visiting the provinces to launch the project at provincial level, which will now be followed up by launching at Municipal level - the provincial and municipal project structures for coordination and management. This experience proved to be very fruitful and gratifying as the project was extremely well received at Governors level with participation of also the main sectoral officers. It was also an opportunity to realize the enormous commitment at local level to receive and make best use of support for capacity development.

The project has managed to establish good interpersonal relations with local administration and enhance the government leadership and ownership, which will be critical for future sustainability and institutionalisation of the processes. Technical consultations with different stakeholders are in place in view to strengthen the project collaboration with public and non-government stakeholders. To facilitate the coordination mechanisms were indicated Provincial Coordinators in all 5 provinces and internally were indicated on project staff to monitor the project implementation and facilitate the cohesion between the provinces and municipalities - Effective functioning of the Provincial Technical Teams and Municipal Teams.

## **4 EFFECTIVENESS, EFFICIENCY & QUALITY**

### **4.1 Effectiveness**

Effectiveness measures the relationship between objectives and results, or in other words between planned and actual outputs. The 18 municipalities covered by the project have been the locus of an array of decentralization initiatives in the past two years. The first phase of the project, when UNDP in partnership with Norway and DFID undertook the decentralization project was critical in the formulation of enable environment, and institutional strengthening. It was instrumental for the formulation of the Law 2/07 (Law on the Local Organs of State) approved in 2007. In 2008, the project strategy changed in order to focus on building capacity among municipal level government planners and leaders who would organize decision-making on what expenditures would be made. This change in emphasis laid the foundation for the UNDP's successful decentralization initiative that now constitutes the model for strengthening local government throughout

the country. The project launched an ambitious programme to work with the government officials and 4 key Ministries (Ministry of Planning, Ministry of Finance, Ministry of territorial Administration and the Ministry of Women and Family).

The gained experience was fundamental to build evidence based capacity development approach that closely incorporated the main key municipal capacity building challenges and operational functions. It launched two manuals, one related to programmatic (Participatory Methodologies, Strategic Planning and Annual Planning and Budgeting), Specific guidelines and templates were also introduced. The Second is related to Operational cycle and Management (Accounting and Public Finance Management, Municipal Development and Infrastructure Management and Biding processes). Specific guidelines and systems were also introduced. Out of 15 predetermined municipalities (as per the prodoc), The municipalities have put in place Consultative Councils (CACs) and a network of groups to actively consult with their constituencies. The Consultative Council at the municipal level coordinates the consultative efforts of sub-municipal Consultative Councils which (Comuna), in turn, consult with community groups, allowing development priorities to be expressed and flow through the network to be considered among the priorities set for the municipal.



The second phase of the Decentralization programmes have emphasized the need for: (a) carry out planning functions at lower levels of government, (b) enhance the decision-making power of lower levels of government and (c) transparent usage of fiscal resources transferred to local governments and increase their control over public monies. The UNDP programme has achieved the first goal aimed at institutionalize the processes

and methodologies that are being replicated. The second goal aims to ensure the integration at policy level and applicability at national level and the third will move toward development of the national Decentralization and Local Development Programme (converted from Project to a Programme) with involvement of all stakeholders. With involvement of the National Parliament (IV Commission responsible for local governance and decentralization) and the *Tribunal de Contas*, in partnership with the coordinating Ministry (MAT) are being set efforts to aggregate experience and build a common framework for decentralization and local governance process in Angola.

#### **4.2 Efficiency and Cost Effectiveness**

The Project has introduced efficient systems, or improved the efficiency of existing systems, particularly in relation to the planning and budgeting and public finance management at local level.; the coordination of its activities at provincial and municipal level with institutionalization of the technical Teams at central, provincial and Municipal Level; tendering, procurement, contracting and building supervision. The costs of preparing the municipal plan, for example, range from US \$4,000 to \$5,000, compared to other provinces where they are normally in excess of \$20,000 (via technical Assistance), but the most important was the creation and transfer of capacity to local level to manage and themselves prepare the development plans in a participatory and inclusive way.

The innovative model being tested in Andulo Municipality of capacitate local Young professional in infrastructure building to support and partner with local administration is a critical example on how the project is innovating the way processes are taken and implemented. In average the cost of a primary school with 3 class rooms is around 120.000 USD and the local entrepreneurs are potential services provides that will contribute to

reduce the cost of the infrastructures. The average estimated cost of the similar infrastructure using the local associations and cooperatives (young professional) is estimated in 15.000 USD. This approach is critical to influence the revitalization of the local economy by creating employment and income to local population. It is expected that the emergency of small enterprises association will promote the emergence and establishment of different services, e.g Banks, and other services.

There is wide agreement on the programme's considerable accomplishments. There is also agreement that UNDP's success is in spite of the government's 'gradualist' approach to decentralization, which contributes to slow progress in institutionalizing local planning. The law on Local Organs of the State stops short of allowing municipals to conduct popular participation in local governance that is instrumental to promote and prepare the first generation of the *autarquias Locais*, using the same participatory methodologies and procedures as the ground basis. It is expected that the first municipal elections will take place in two years, and potentially the municipalities covered by the project are prominent to undertake effectively the process, given the ground work already done and capacity transferred.

### **4.3 Quality and Relevance**

The Project's achievements in the areas of effectiveness and efficiency have been matched by evidence of increasing quality (in both processes and outputs), especially in relation to municipal plan preparation; training manuals and courses; and tendering, contracting and building. As noted in earlier sections of this report, the training manuals prepared by the Project are for the main part clearly presented, comprehensive in content and of generally high quality. The quality of the procedures established for tendering and contracting has also been impressive.

Together with improvements in the standards of building supervision, these procedures have clearly helped to improve the quality, as well as the cost-effectiveness, of infrastructural investments built under the FUGEM. Quality has also been enhanced by the decision of the provincial government to exceed the national specifications for health centers and schools, particularly in relation to the size and quality of the houses built for health workers and teachers. This decision was taken to attract more qualified professionals to work in the municipals.

### **4.4 TECHNICAL ASSISTANCE AND NATIONAL ENGAGEMENT**

The project staff is composed by an International CTA, who acts as the Programme Manager and the Head of the Project Management and Coordination Unit, supported by a National (Local) Coordinator and National Provincial Coordinators. At technical level two programme officers provide support in the area of Public accounting and the area of Participation and Gender. A Monitoring and Evaluation Specialist and the Gender and Participation Specialists are under recruitment.

The Technical assistance, training, coach and mentor in the project area is limited to focus areas of (i) Human and Institutional Development (ii) Planning and budgeting, (iii) Public Accounting and Municipal Finance Management, and (iv) Participation Mechanisms, being carried out by the CTA, who also serves as the Coach and mentor, while the programme officers are on-job-training for future direction of the focus areas. A National coordinator is deputizing the CTA in the area of Operations and Coordination. Two additional project staff are providing administrative and finance support At provincial level, 5 provincial coordinators were indicated, being two UNDP paid staff (Malanje and Kwanza North) while others (Bie, Bengo and Uíge) are Provincial Government officials. The National technical team supports the project unit and ensures integration of national systems into the training and capacity building of the provincial and municipal technical teams.

In general the technical assistance has contributed significantly to the successes of the project. It is apparent that the skills and work during the 18 months of the implementation of the project are highly appreciated and respected. In fact at a meeting with Project staff and technicians, a strong plea was made for their retention, if the Project is extended into another phase. At the same time, it is clear that the participatory methodologies were also skilled the municipalities and provincial government staff.

To ensure continuity and sustainability of the project, the project strategy is to empower local staff and minimize the international staff. The only position that will be kept until the end of the project is the post of the CTA, due to its nature and complexity and proven technical and managerial skill required (following UNDP requirements for P4 and P5 levels). The project infrastructure and capacity building methodologies are highly appreciated. The level of progress made in building the capacity of local counterparts and facilitating the assimilation and institutionalization of the project components is being mainstreamed into the work of the provincial and municipal government officials.

#### **4.5 Relevance:**

The capacity building strategy demonstrated that training oriented to deliverables (doing step-by-step), is more effective, because the participants or civil servants learn what is demanded and applied for their daily work. Secondly, it demonstrated that any manual or guide should be based on real needs and should identify clearly the steps to materialize the results. The project is serving to demonstrate a number of lessons including the fact that real institutional change, whether at the community or government level, requires sustained and well-focused support over a prolonged period of time; substantial cross-learning from similar experiences elsewhere must be supported; local political support must be developed and consistently maintained; strategic collaboration with civil society organizations in the challenging area of community capacity-building is required; and mechanisms must be put in place to enable effective constant refreshing of capacity-building work to cope with staff reassignments, change of leadership etc.

Recognizing the approach, a local partner (CARE) requested UNDP to provide training in Local Finance and Public Accounting Management to their project sites. Apart of the capacity development strategy, were elaborated templates (standard formats) to support and facilitate the Municipal technicians to elaborate themselves municipal diagnosis, Profiles and Development Plans. As stated previously, the Project covers officially 15 municipalities *but due to* the relevance of its implementation framework (technical teams) and training strategy (The Municipal Menu), the provincial Governments of Malanje, Uíge and Bié are integrating all municipalities (with their funding) and UNDP is providing technical assistance, with support of a contracted Company for Planning and Budgeting Component, which uses the same methodologies institutionalized by the project.

Moreover, the central technical team (MINFIN, MINFAMU, MAT) are analyzing the challenge for its replication. This need was discussed during the mission to Brazil with the Minister of Territorial Administration in December 2008. A National Workshop is being foreseen to disseminate the technical team's infrastructure and the Project Capacity building framework to all Provinces, as well as the project training strategy and its framework will also be mainstreamed for training and capacity building for all budgetary units.

## **5 PROJECT UPSTREAM AND DOWNSTREAM IMPACT**

### **5.1 Impact on Provincial and Municipal Capacity**

Five years ago (2004), the decentralization programme, in collaboration with the Ministry Territorial Administration, UNDP initiated the first phase of the project, that began to train municipal level officials in 4 key municipalities. The Second phase of the project, covering around 33 municipalities (15+3 Group a - officially indicated and 15 Group). In



practical terms, out of 57 municipalities that comprehend the 5 provinces, in Bie the project covers all 9 municipalities, meaning that in average the total numbers of municipalities are around 41. All municipalities are undertaken the establishment of the technical teams and Consultative Councils were established and trained. Once this was done, consultative councils for each of the sub-municipals were created. Participatory planning was the guiding principle. In the province of Bie for example, the sub municipal structures (Comuna administrators and vice administrators, and key staff) were trained during 3 days in decentralization and local governance principles, participatory planning, budgeting and municipal management. Sub-municipal consultative councils were also focused during the training and are extensively being consulted.

The project had increased the transparency of the municipal administration and mobilized the government officials to actively integrate local population in decision-making. Taxes revenues are one prominent indicator on how municipalities are adopting the principles of good governance and transparent public fund management. The consultative councils at the municipal and sub-municipal levels experimented with raising public funds themselves, even in municipals where families were poor, by levying taxes selectively on the operation of vehicles, bicycles and commercial stalls. For the first time taxes were paid because tax payers were able to see the results of their contribution.

Earlier sections of this report have highlighted the considerable emphasis placed by the project on capacity building, both in terms of the development of appropriate systems, procedures and manuals, and the training of human resources at the provincial and municipal levels. Two manuals have been produced and over a hundred provincial and municipal technicians have been trained. The key question, of course, concerns the extent to which these activities have strengthened the capacity of the provincial administration, municipal administrations, and communities to plan, finance, implement and monitor small-scale rural infrastructure, in line with the Project's immediate objectives. The project approached this concern by conceptualize capacity building oriented to deliverables and compilation of key municipal legislation. The sub-municipal training was also instrumental to transfer capacity to comunas.

In the absence of a legislative framework for representative forms of local democracy at the sub-comuna levels (locality, village and community), it was felt that this would nevertheless contribute towards an emerging culture of local dialogue, popular participation and improved governance at the municipal level. To address the problem, a guideline for municipal Consultative Councils (Local forums) were elaborated and submitted to the Ministry of Family and Promotion of Women (MINFAMU) to support participatory planning that is a strong element of community consultation and involvement in local governance processes. Two main and related types of local dialogue have been encouraged by the Project: (a) The establishment of Local forums at the locality and community level, (b) The organization of consultative meetings with communities ("meetings under the tree"), as a key element in the identification of micro projects (infrastructure investments) through the annual planning cycle.

With regard to community empowerment and the development of sustainable forms of community-based planning, the project privileged capacity and tools so that, without the Project the municipal technicians and communities, they can (i) carry out their own identification and solutions; (ii) recognize their own resource base and determine what additional inputs are needed for infrastructure and other services; (iii) organize themselves for the maintenance of infrastructure and services; (iv) monitor the distribution of benefits coming into their communities; (v) understand the role they play in the municipal planning processes. The model of local based community development - Local Economic Development is being tested in Andulo (Bie) were 50 young professionals are being trained to serve the municipalities and their communities.

## 5.2 Upstream Impact on Policy

The achievement of successful development outcomes requires long-term commitment, close monitoring and broad-based participation and partnerships. The UNDP success decentralization and local governance programme had a long gestation period beginning in 2004. It involved a variety of partners, the participation of target communities and the commitment of considerable resources. UNDP has replicated the model of municipal planning and strengthening local government piloted in other municipalities, covering actual 33 municipalities and indirectly around 41 municipalities of the 5 provinces. The Bie Province has adopted it as a provincial model, and it is now the basis for national legislation on local government. At upstream level impact the project was catalytic to promote:

- a) In the Project infrastructure it was envisaged that an important outcome of the Project would be the generation of valuable insights and lessons to inform and add value to the wider national debates on decentralization and democratization, and to contribute to policy development and legislation. Although the increasing interest in decentralization at the national level, the need for a specific regulation of the Law 2/07 continued being lacking. The project infrastructure was drawn emphasizing the need for specific guidelines and norms for each step of its implementation. The compilation of diverse legislation on Local Governance, it's a great step on how to start a debate around the regulation of the Law approved in 2007.
- b) Another area of importance is related to Public Finance Management, where the concept of state budget is seen as resource allocated to the administration to be spent, without any local contribution (local revenues). A study was undertaken and based on the findings a Proposal Decree was drafted and submitted to the Minister of Finance. Currently is ongoing the consultation process around the Decree and the first technical consultation was undertaken in September in Luanda (Mussulo) that brought insights about the collection, flow, consignment and programming of local revenues.
- c) As stated in the previous session, to support the consultative mechanisms above the comuna (where no instruments is in place to regulate the functioning of local structures) a guideline for municipal Consultative Councils (Local forums) were elaborated and submitted to the Ministry of Family and Promotion of Women (MINFAMU) to support participatory planning that is a strong element of community consultation and involvement in local governance processes. The project is supporting the integration of gender perspective into the local governance platform. Furthermore, the Project is supporting the formulation of the Gender Policy and its implementation Strategy in Angola.
- d) The project infrastructure (Technical Teams) was instrumental to reinforce the coordination mechanisms among the different Ministries involved in Decentralization process. UNDP had taken a number of initiatives to widen the debate about decentralization, including the organization of local organs of state, training sessions and joint field missions with central government officials to strengthen collaboration and inter institutional coordination. UNDP's project is a prominent inclusive project that aims at bringing different stakeholders and initiatives to address decentralization and local governance process in Angola.
- e) The integration of Applied research into the project and subsequent establishment of the center of Excellence in Public Policies and Local Governance is a clear contribution in terms of evidence based public policies and local governance in Angola. This contribution is a pilot exercise in Angola and will catalyze the research in different areas of local development.

- f) Support to the National Statistics Institute (INE) - The Statistics subcomponent and subsequent integration of the INE team is a clear opportunity to enhance capacity for data collection, management, and dissemination, including capacity at sub national level (provinces and municipalities). The project is contribution to support the deconcentraion of INE function to provincial level.

### **5.3 Downstream Impact on Socio-Economic Development & Poverty Alleviation**

During the project installation, concern was expressed at the lack of opportunities for local economic empowerment that could be created by building a greater self-help component (community building) into infrastructural projects. There are clear indications that the Project is taking steps to address these issues. Despite the difficulties in assessing the longer-term "downstream" effects of the Project.

The innovative approach on Local Economic Development being tested in Andulo (BIE) is a prominent economic infrastructure to support income generation and employment at local level by provide capacity and professional skills to address low cost infrastructures. This is evident because schools, health posts and wells are still a popular choice; an increasing number of municipals are choosing to spend their FUGEM planning ceilings on roads, markets and electrification. Knowing the cost of infrastructure the choice of stimulate young professional is a contribution to increase a number of infrastructures (since the cost will reduce dramatically), but also is a clear contribution in term of revitalization of local economy since the intergovernmental transfer allocated to the municipalities will revert and benefit the municipalities, given the fact that service will be provided by local enterprises.

Moreover, as the municipal planning and financing tools are prominent and development tools, it will increasingly support and act as a catalyst for more effective, integrated, coordinated, collaborative and participative forms of both social and economic development at the local level, involving the municipal government, NGOs, the private sector and the communities themselves. This should prove the case, in particular, once the municipal plans have been approved and the programme moves into the annual planning cycle phase, under which the FUGEM should be more effectively integrated with the other development and planning activities of the municipal.

### **5.4 INSTITUTIONALISATION AND INNOVATION**

The project's activities might end in 2010, but due to its innovative design and implementation framework in being consider extension for more two years. Resources are being mobilized to support the project and actually count with external support from Spain, Oslo Governance Center (Global Programme), and Portugal. Other partners are being approached to support the project (Ireland and Norway). A key test of the Project's success in building capacity for participative forms of decentralized municipal planning is the degree to which the various procedures and methodologies have to be internalized or institutionalized at the provincial and municipal levels. In general, and given its relative newness, the Project has made considerable progress in turning itself from a pilot "project" into a medium scale project that is fully integrated into the mainstream work of the provincial and municipal officials.

The technical teams were established in all municipalities and provinces to support the implementation of the project as part of their normal function. Other relevant areas of innovation are relative to the integration of Applied research into the project and subsequent establishment of the center of Excellence in Public Policies and Local Governance; The support to the National Statistics Institute (INE) -to enhance capacity for data collection, management, and dissemination and the innovative approach on Local Economic Development being tested in Andulo (BIE).

## 5.5 SUSTAINABILITY

Sustainability involves both commitment ("the will") and capacity ("the means"). In general there is a consensual view that the government is committed with the decentralization process and that UNDP is investing in capacity needed to support and fulfill the requirements for participatory and inclusive local governance. This commitment was shared by the Vice Minister of territorial Administration debate at UNDP (Jango). During the debate it was clear that the government is committed to support and capacitate the local organs of state, however, the continuation and development of the project will require continuing financial and technical support from different actors.

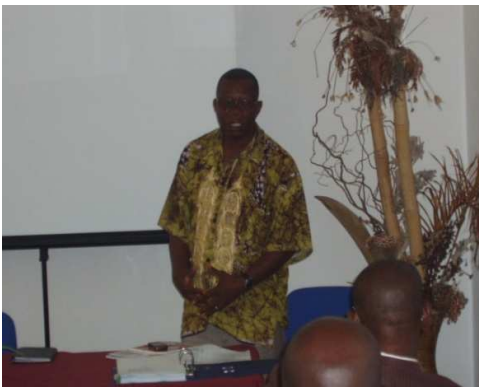
Problems of turnover, communication, coordination and information sharing between the provincial directorates continue to impact negatively on the Project. One example is the shift of all municipal administrator and key provincial staff in Uíge Province. There is also a need for closer liaison between the Project and the Provincial Authorities on this regard. The overall Government Decentralization Strategy is committed to improve the quality of services at local level. To materialize this intention, it was institutionalize 68 (out of 163) Budgetary units in the framework of the Law 2/07 and an amount of 5 million (USD) was transferred to local administrations. From 2009, all 163 municipalities became budgetary units and allocation being considered for 2010 budget cycle. This was based on a number of assumptions, including a continuation of the trend to increase the proportion of the discretionary municipal component of the PIP. In addition the rural municipals will increasingly have to compete for scarce national and provincial resources with the newly established framework.

Given the new responsibility (functions and resources) the UNDP Project is serving as catalytic to improve the quality of service by improve the level of participatory planning and budgeting, public finance management. An effort is being taken by the project in partnership with the Ministry of Finance is view to introduce a new framework on local revenues, as part of the local contribution to municipal budget. Actually and formally the local revenues are being transferred to one single national account (*Tesouro Nacional*). In practical term, it is recognized that this model is not effective, and the administrations although treasure and incur in the collection and retention of municipal taxes. A legal framework was submitted to the Government by the project to provide guidance on collection and retention of local revenues as part of the municipal budget.

## 6 LESSONS LEARNED

### 6.1 CHALLENGES

Whilst access to basic public services is therefore continuing to improve, the concern now is the scarce human resources to ensure quality of the services provided, meaning that the process needs to be accompanied by a transfer of technical and human capacity that can guarantee effective implementation of the decentralization and local development process. Political and economic reforms in the country are allowing an increasing role of



sub national and local levels in policy development and implementation, however, there is a need to properly address youth, women, CSOs and local communities' concerns so as to adequately empower them to play a fuller role in development processes (e.g. participatory municipal assessment, community mobilization and services providers, as emerging local economic development approach).

While overall progress has been made in positioning the municipalities in a more important role, the government needs to demonstrate specific and practical commitments to supporting them in

achieving this objective. If not, there is a risk that municipalities will be handicapped in their ability to plan and execute funds allocated to them, resulting in unjustified criticism of the approach. There is a need to institutionalize and put in place actions that stimulate local governance processes (deconcentration and decentralization). It will support the design and use of a municipal governance assessment tool, which monitors the development of municipality government's capacities and pro-poor oriented performance assessment). It will occupy a unique role in the development of attractive evidence and best practices based capacity building, by developing and generate advanced level policy, regulatory, managerial and technical expertise to address the needs of the local governance. The Policy will have a broader scope, including decisions regarding the extent of decentralization (deconcentration and devolution) appropriate for Angola and the associated allocation of functions and resources to all levels of government, especially in the key service delivery sectors.

As an overarching challenge, remains the need to progressively ensure better performance of Technical Teams, enhancing the provincial teams that shall take bigger protagonism and assistance on municipalities within the ambit of widening the budgetary units to all municipalities in the country. It is expected that the experiences from the 15 pilot municipalities, serve as an example to stimulate the practices of participatory programming and budgeting in other provinces and municipalities. It is also previewed a constant accompanying of the activities performed within the territory to assure the working method consistency, transparency and efficiency in the management of resources and result quality control, based on the Project goals, norms and methodological orientations. Therefore, in accord with the technical teams, the provinces will be responsible for organizing the processes of capacity building and decentralized management at municipality's level, in response to the enlargement of budgetary units for all the municipalities in the country. Thus, the Project will create conditions for the dissemination of these methods at provincial and municipality levels, reinforcing the training and capacity building of local administration technicians. It is expected that this action be conducted in close coordination with IFAL, as the repository entity responsible for training the local State entities.

At municipal level, attention will be oriented in order to strengthen technical capacity for planning public investment projects, manage bid, hiring processes and ensure inspection of infrastructures and public works. At the same time, the private sector will also be addressed in these processes, ex. the schemers, contractors and fiscals at provincial level in order that they can perform effectively their roles in accord with the public investment and population public service offer betterment. In sum, the project action will contribute for the Planning Methodological Strengthening, Programming and Management instrument strengthening, with emphasis to SIGFE and SIGPE, as well as the sector based policies, platforms and norms. The project will continue to support the initiatives and local projects, investing significantly in the improvement and dissemination of normative and methodological instruments, such as training guides and manuals.

Whilst access to basic public services is therefore continuing to improve, the concern now is the scarce human resources to ensure quality of the services provided, meaning that the process needs to be accompanied by a transfer of technical and human capacity that can guarantee effective implementation of the decentralization and local development process. Political and economic reforms in the country are allowing an increasing role of sub national and local levels in policy development and implementation, however, there is a need to properly address youth, women, CSO and local communities' concerns so as to adequately empower them to play a fuller role in development processes (e.g. participatory municipal assessment, community mobilization and services providers, as emerging local economic development approach). In all municipalities there is no system to collect and manage local revenues.



To ensure that all municipalities report similar transactions uniformly, - contributions, revenues, grants, and functional expenses etc., according to the Public Finance Management principles, UNDP jointly with the Ministry of Finance conceptualized the 1<sup>st</sup> draft of the framework for Planning, Accounting and revenue management (Public Accounting System).

It is expected that the system will be adopted to facilitate the budget planning and execution in the framework of the annual plan and municipal strategic planning. It will support municipal administration to prepare consolidated balance sheet, performs accounting for the liquidity management, development and support system of subaccounts of public finance revenues and subcontracting (Public infrastructure accounts). The design and implementation of the Public Accounting System represents a considerable investment in terms of the costs and the training of staff. Such investment should only proceed if driven by users as the means for addressing their needs. The framework served as the interface for the expected overall programme outcomes (the repository of learning and best practices) in a cyclic manner and at local level and will contribute for alignment of all initiatives related to decentralization and local Governance.

## 6.2 POLICY ISSUES

- **Integrated Municipal Planning Framework:** there remains a lack of clarity on how sectors and sub-sectors should integrate spatial and territorial planning. This is a function of the ongoing top-down rather than bottom-up approach, which results in planning which does not take local conditions or preferences sufficiently into account. One example of this is that provincial sector staff and municipal administration officials do not have municipal or territorial planning responsibilities included in their official job descriptions. This is therefore still seen as ‘extra’ work in many cases. Participatory planning and monitoring systems at the Municipal level should be prioritised into all sectors’ transfers and also linked to the Municipal budget from 2009 on in order to encourage increasing involvement and accountability towards local citizens, local organizations and other stakeholders.
- **Participation and public Management:** While there has been progress made in providing guidance on participation (CACS), guidelines for participation still not formulated and there is neither formal requirement nor mechanism for measuring downward accountability by any sector. Furthermore, there is no clear set of requirements for publishing revenues received or expenditure at a local level, by any level or sector, resulting in a lack of transparency and information for accountability purposes.
- **Gender and vulnerable groups in Local Development:** Gender equality to be built into ongoing capacity building initiatives for government counterparts, so that government counterparts are fully aware and supportive of gender equality in local governance in general and municipal planning in particular. This will facilitate linkages with other government initiatives to promote gender equality and help ensure allocation of funds for gender equality activities. It requires the systematic integration of gender equality modules in all training initiatives undertaken by the project. This will require identification of strategic partners among civil society and community-based organizations.
- **Coordinated Technical Assistance and Capacity Building:** Technical support is required over a long period to help local organs of state and municipalities to develop

robust systems and procedures at the local level. This will require a comprehensive technical assistance program as well as the development of recruitment options to increase local staffing, financing options for these positions, and training and skills enhancement for the staff that will be responsible for local financial management, procurement as well as service delivery and maintenance. A prerequisite for an efficient capacity development programme is the approval of a decentralization policy and strategy, where functions are clearly defined.

### **6.3 THE WAY FORWARD**

- **Need to expand the project cycle (until 2012)**
  - In general, during the 18 months of the project implementation and training, all provincial governments demonstrated the willingness to expand the geographic coverage of the project, meaning to integrate during the training sessions all other municipalities in each province covered by the project.
  - Some Provincial governments are willing to contribute in kind for the operationalization of the project (funding of all other municipalities not covered by the DLG project), a clear demonstration that the government is committed with the project.
  - The implementation of the project at provincial level demonstrated that the focus of the project has to be capacity development and technical assistance. Conceptual framework, systems and interpretation of the legislation is a common weakness.
  - The project focus from 2011 should introduce innovative approach on Local Economic Development and support to the new or emerging local elected local governments (autarquias). Combination of both NIM and DIM modalities should be considered. Part of the project team should be located at the national institutions (MAT, MINFIN and MINPLAN).
  
- **Need to promote institutional capacity development**
  - In general, participatory planning process is still weak in many municipalities. The civil society itself lacks dynamism, with no prominent local CSO/NGOs involved in development activities. Many NGOs operate on “emergency models” and disarticulated with government systems. There is no forum, which could stimulate and energize the CACS. As a consequence, the planning process is still totally driven by the administration, and there is no prospect of collaboration for execution, monitoring and accountability mechanisms towards the population.
  - The municipalities recommended that the DLG should provide technical and specialized support operating from provincial level, and providing regular assistance to the Municipalities. To overcome the situation, each project staff was assigned to monitor one province.
  - Decision making on CACSs composition and interventions for local development or service delivery should be substantiated by an analysis of the existing, before defining priorities and targets.
  - Align the projects with government's instruments, processes and systems and procedures (Participatory planning, fiscal deconcentration, institutional capacity building, participatory methodologies, Accounting and financial management), shifting accountability and ownership from donors to the government and Angolan citizens.

- **Need to harmonize partners approach and government systems alignment**
  - Decentralization context has changed during the last 18 months and different initiatives are being implemented under the Government leadership. It was found that the drastic change requires harmonization, alignment and adjustment of methods and better coordination among partners.
  - It is therefore necessary to rethink on the government ownership and leadership of the project. The long-term vision for decentralization process, which will define the strategic intervention and priorities (including the framework for implementation of decentralization and local governance process), is crucial.
  - It is of outmost necessity to align tools, manuals and procedures utilized by DLG and different partners, projects and initiatives. In case such instruments do not exist, the DLG should contribute to their formulation in close collaboration with respective leading government institutions. For example, the SIGFE (Integrated Public Financial Management System) promoted by the Ministry of Finances is the main instrument in the area of public financial management and procedures, accounting and budget execution. In the area of Planning and Budgeting, there are many approaches and instruments applicable to municipalities.
  - There is a need for a common framework, harmonized norms and procedures (including training and capacity building) among projects. Technical assistance will continue relevant in terms of policy dialogue with the government and coordination among different partners.
- **Need to improve communication, information sharing and monitoring**
  - Under the framework of decentralization and local governance, communication and information sharing is crucial ingredient for better collaboration and experience exchange (knowledge network).
  - Internal and external communication mechanisms through newsletters, brochures and regular meeting will accelerate the circulation of information among different actors.
  - M&E officer is needed to support the DLG unit and the decentralization process at central, provincial and municipal level.
  - Conduct the core dialogue with the government, civil society and private sector on the decentralization process and DGL Unit to take leadership on coordination with different partners and stakeholders.

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