Document of
The World Bank

Report No. 24421

PROJECT PERFORMANCE ASSESSMENT REPORT

REPUBLIC OF MOZAMBIQUE

URBAN REHABILITATION PROJECT
(CREDIT 1949-MOZ)

LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT
(CREDIT 2530-MOZ)

June 12, 2002

Sector and Thematic Evaluation Group
Operations Evaluation Department

Currency Equivalents

Currency Unit = Metical (plural *meticais*)

Average for:	US$1.00 = meticais:	Average for:	US$1.00 = meticais:
1988	525	1995	9,024
1989	745	1996	11,294
1990	929	1997	11,543
1991	1,434	1998	12,366
1992	2,517	1999	13,300
1993	3,874	2000	17,057
1994	6,039	2001	21,200

Abbreviations and Acronyms

DCA	Development Credit Agreement
DNAL	Directorate of Local Administration *(Diretoria Nacional de Administração Local)*
DNE	National Statistical Office *(Direcção Nacional de Estatística)*
ERR	Economic rate of return
FINNIDA	(former) Finnish International Development Agency (now incorporated into Ministry of Foreign Affairs)
FRELIMO	Mozambique Liberation Front *(Frente de Libertação de Moçambique* – political party of GOM)
GOM	Government of Mozambique
HABITAR	Housing Management and Supervision Unit (of MOPH)
ICR	Implementation Completion Report
IDA	International Development Association
IFAD	International Fund for Agricultural Development
MAE	Ministry of State Administration (*Ministério da Administração Estatal*)
MDP	Municipal Development Project (Cr 3549) - *ongoing*
MOPH	Ministry of Public Works and Housing *(Ministério de Obras Públicas e Habitação)*
OED	Operations Evaluation Department
PIU	Project Implementation Unit (for PRU)
PPAR	(OED's) Project Performance Assessment Report
PRU	Urban Rehabilitation Project (Cr.1949) *(Projecto de Reabilitação Urbana)*
PROL	Local Government Reform and Engineering Project (Cr.2350) *(Projecto de Reforma dos Órgãos Locais e Engenharia)*
RENAMO	Mozambique National Resistance *(Resistência Nacional de Moçambique* – Former rebel organization and now main opposition political party).
SME	Small and Medium Enterprises
SAR	Staff Appraisal Report
SDR	Special Drawing Rights
TSU	Technical Support Unit (for PROL)
UNHCR	United Nations High Commission for Refugees
WGI-III	Working Groups I to III of TSU

Fiscal Year

January 1 – December 31

Director-General, Operations Evaluation	:	Mr. Robert Picciotto
Director, Operations Evaluation Department	:	Mr. Gregory Ingram
Manager, Sector and Thematic Evaluation	:	Mr. Alain Barbu
Task Manager	:	Mr. Roy Gilbert

The World Bank
Washington, D.C. 20433
U.S.A.

Office of the Director-General
Operations Evaluation

June 12, 2002

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Mozambique: Project Performance Assessment Report
Urban Rehabilitation Project (Credit 1949-MOZ)
Local Government Reform and Engineering Project (Credit 2530-MOZ)

Attached is a Project Performance Assessment Report (PPAR) prepared by the Operations Evaluation Department (OED) on these two projects. For the Urban Rehabilitation Project, or PRU (Cr. 1949-MOZ), the World Bank approved a credit in an amount of SDR44.0 million (US$60.0 million equivalent) on August 2, 1988. The credit was closed on October 31, 1996, ten months behind schedule. SDR5.3 million (US$7.4 million equivalent) was cancelled. For the Local Government Reform and Engineering Project, or PROL (Cr. 2530-MOZ), the Bank approved a credit in an amount of SDR16.4 million (US$23.2 million equivalent) on June 29, 1993. The credit was closed on March 31, 1999, one year behind schedule. SDR6.9 million (US$9.8 million equivalent) was cancelled.

The Bank appraised PRU in 1988 as Mozambique's 1975-92 civil war still raged; yet project documentation did not address the conflict. The project cities, the capital Maputo and the country's second city Beira, suffered an influx of refugees, interrupted urban services, disrupted trade and markets, debilitated local institutions, and insecurity with rebel activity on the urban peripheries. PROL on the other hand, was appraised shortly after the October 1992 peace agreement, and its design explicitly addressed post-conflict decentralization as well as incorporating three more northern cities—Nampula, Quelimane, and Pemba. PRU and PROL were the earliest Bank-financed urban projects in Mozambique, which is among the world's poorest countries and one saddled with the consequences of colonialism, conflict, and a command economy.

PRU objectives were similar to those of a standard urban project—improved infrastructure and housing, generating employment, and strengthening local institutions—but they were not relevant to the extraordinary situation facing Mozambique's cities in the late 1980s. Project components included a standard package of road, drainage, sanitation and solid waste improvements, and training and technical assistance for local authorities. Most investments are in poor condition today. PROL objectives, on the other hand, focused on decentralization and strengthening municipal administration. PROL incurred most of its expenditures on activities that achieved very little, such as the pilot physical investments, studies and technical assistance for municipal capacity building and fiscal reform and project management itself. Looking at the project as a whole, its one modest achievement in decentralization came at a very high price, making it a very inefficient instrument for such a tenuous result. Specifically, decentralization was only tenuously achieved when Mozambique's first municipal elections were held in 33 cities in 1998, with voter turnout of only 10-15 percent. Legislation governing the elections was based upon legal texts prepared under the project.

For oversight ministries—Public Works for PRU and State Administration for PROL, weakened by decades of war and with experience rooted in a state controlled economy, project implementation were not edifying tasks. City authorities—initially delegates of central government and later locally elected municipal officials—found it difficult to keep abreast of project decisions taken centrally in Maputo. Project management in Maputo was unable to clearly account for project expenditures and results. The PRU project closed without final cost tables, a

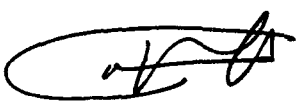
shortcoming that did not trouble Bank management. For PROL, the Bank ICR did not include a Borrower contribution, yet GOM had produced *two* different versions.

PROL project performance was further undermined by a poor Bank-Borrower relationship from 1994 to 1998 arising from mutual misunderstandings between the task manager and the project team in Maputo. Bank supervision missions continued during this period, but stayed only a few days at a time in the country. Letters and faxes from Bank headquarters to Maputo were many and peremptory, prompting non-cooperation by the PROL team. This took the form of refusing to sign mission Aide Mémoires, for instance. Digressions on trivial points of day-to-day administration kept discussions of important development issues off the agenda. While there has been a turnover of management on the Bank side, keeping the relationship productive will be an issue during the implementation of the recently approved Municipal Development Project (Cr3549), which is largely in the hands of players marked by the PROL breakdown.

Ratings: For PRU: Overall outcome, unsatisfactory, since its objectives were irrelevant and were not achieved. Sustainability, unlikely, as physical outputs show little sign of resilience without financing for operation and maintenance. Institutional development impact, negligible, since there was no substantive change in the conduct of urban development business in Maputo and Beira as a result of the project. Bank performance, highly unsatisfactory, especially for poor project preparation and for closing the project without knowing final costs or Borrower counterpart contributions. Borrower performance, highly unsatisfactory too, for poor project identification and preparation, lack of compliance with auditing covenants and for not fully accounting for project costs. For PROL: Outcome, unsatisfactory, for its failure to achieve the intended objectives. Sustainability is rated likely, given the inevitability of decentralization in some form. Institutional development impact, modest, for the tenuous progress with decentralization thus far. Bank performance, highly unsatisfactory, for poor project management during implementation that led to a break down of Bank-Borrower relations. Borrower performance, highly unsatisfactory too, for the lack of dialogue with the Bank notably on the project's focal policy reform, which made little progress in the end, and for poor implementation management that left several components half finished.

Key lessons:

- Continuous and rigorous oversight by Bank management of Bank/borrower relations is needed to detect and correct failings before project outcomes suffer.
- A perfunctory attitude by the Bank toward borrower reports of final costs, audits and ICRs can undermine borrower accountability and learning.
- In order to succeed, projects in war-affected countries must take explicit account of the conflict.



Attachments

OED Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

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

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and fieldwork conducted by OED. To prepare PPARs, OED staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country for onsite discussions with project staff and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader OED studies.

Each PPAR is subject to a peer review process and OED management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the Borrower for review; the Borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the OED Rating System

The time-tested evaluation methods used by OED are suited to the broad range of the World Bank's work. The methods offer both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. OED evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (more information is available on the OED website: http://worldbank.org/oed/eta-mainpage.html).

Relevance of Objectives: The extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). *Possible ratings:* High, Substantial, Modest, Negligible.

Efficacy: The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Possible ratings:* High, Substantial, Modest, Negligible.

Efficiency: The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. *Possible ratings:* High, Substantial, Modest, Negligible. This rating is not generally applied to adjustment operations.

Sustainability: The resilience to risk of net benefits flows over time. *Possible ratings:* Highly Likely, Likely, Unlikely, Highly Unlikely, Not Evaluable.

Institutional Development Impact: The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Institutional Development Impact includes both intended and unintended effects of a project. *Possible ratings:* High, Substantial, Modest, Negligible.

Outcome: The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project). *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the Borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability. Possible ratings: Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Contents

This report was prepared by Roy Gilbert (Task Manager), who visited Mozambique in January/February 2002. Nalini Kumar was the peer reviewer. William B. Hurlbut edited the report. Romayne Pereira provided administrative support.

Mozambique: Urban Rehabilitation Project (Credit 1949-MOZ)

PRINCIPAL RATINGS

	ICR*	ES*	PAR
Outcome	Unsatisfactory	Unsatisfactory	Unsatisfactory
Sustainability	Uncertain	Unlikely	Unlikely
Institutional Development	Negligible	Negligible	Negligible
Bank Performance	Satisfactory	Unsatisfactory	Highly Unsatisfactory
Borrower Performance	Deficient	Unsatisfactory	Highly Unsatisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank. The Evaluation Summary (ES) is an intermediate OED product that seeks to independently verify the findings of the ICR.

KEY STAFF RESPONSIBLE

	Task Manager	Division Chief	Country Director
Appraisal	D. Graham	Isaac Sam	Sven Sandstrom
Completion	Berhard Becq	Jeffrey Racki	Phyllis Pomerantz

Mozambique: Local Government Reform and Engineering Project (Credit 2530-MOZ)

PRINCIPAL RATINGS

	ICR	ES	PAR
Outcome	Satisfactory	Moderately Satisfactory	Unsatisfactory
Sustainability	Likely	Uncertain	Likely
Institutional Development	Partial	Modest	Modest
Bank Performance	Deficient	Unsatisfactory	Highly Unsatisfactory
Borrower Performance	Satisfactory	Unsatisfactory	Highly Unsatisfactory

KEY STAFF RESPONSIBLE

	Task Manager	Division Chief	Country Director
Appraisal	Roberto Chavez/Kingsley Robotham	Isaac Sam	Phyllis Pomerantz
Completion	Alan Carroll	Jeffrey Racki	Phyllis Pomerantz

Preface

This is a Project Performance Assessment Report (PPAR) for two operations: For the Urban Rehabilitation Project, or **PRU** (Credit 1949-MOZ) the World Bank approved a credit in an amount of SDR44.0 million (US$60.0 million equivalent) on August 2, 1988. The credit was closed on October 31, 1996, ten months later than scheduled, when SDR5.3 million (US$7.4 million equivalent) of the credit was cancelled. For the Local Government Reform and Engineering Project, or **PROL** (Credit 2530-MOZ), the Bank approved a credit in an amount of SDR16.4 million (US$23.2 million equivalent) on June 29, 1993. The credit was closed on March 31, 1999, one year later than planned, by which time SDR6.9 million (US$9.8 million equivalent) of the credit had been cancelled.

This report is based upon reviews of the Implementation Completion Reports (Report No. 16747, June 20, 1997, for PRU, and Report No. 19789, October 12, 1999, for PROL), the Staff Appraisal Report (Report No. 7279, July 1, 1998, for PRU) and the Memorandum of the President (Report No. P-6049 for PROL), legal documents, and project files and on discussions with Bank staff involved with the project. OED fielded a mission to Mozambique in January/February 2002 to review project results. The mission visited central government departments and project agencies in Maputo, Beira, and Nampula. The assessment mission appreciates the courtesies and attention given by interlocutors of the Mozambican government, local governments, and donors and the logistical assistance provided by the Bank's country office in Maputo.

Following standard procedures, copies of the draft PPAR were sent to the relevant government officials and agencies concerned for their review, but no comments were received.

1. Introduction

1.1 When the Bank appraised the Urban Rehabilitation Project (Cr. 1949)—known locally by its Portuguese acronym **PRU**—in April 1988, Mozambique's civil war still had more than four years to run. By 1988, the conflict had engulfed the central and southern regions of the country where the project cities of Beira and Maputo were located (see map). The second operation reviewed here, the Local Government Reform and Engineering Project (Cr. 2530)—called **PROL** in Mozambique—was fully appraised shortly after the October 1992 Rome peace accord ending a war that left the country one of the poorest in the world and its cities traumatized (see Box 1).

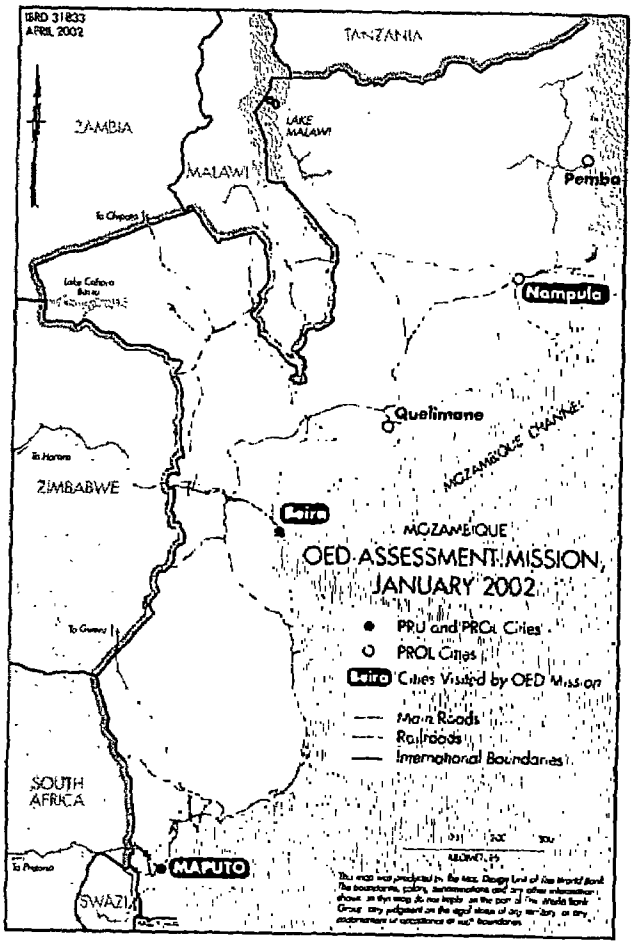
Box 1: The Impact of War Upon Cities in Mozambique

Mozambicans have thus far been remarkably successful in bringing peace to a country wracked by violent conflict. From the start of the violent independence struggle 1964 until the 1992 peace agreement, 1,080,000 people died (Stewart 2001a, p. 70). The 1975–92 civil war between the FRELIMO government and RENAMO rebels was one of Africa's most prolonged and devastating, forcing 4 to 6 million people from their homes (Bruck 2001 p. 67). The government moved as many as 1.8 million to "communal villages" or camps, often on urban peripheries, to prevent contact with the rebels (Cabrita 2000 p. 118). The conflict also destroyed infrastructure and productive assets throughout the country, especially in rural areas, where the rebels were based. Although often not theaters of military action, Mozambique's cities paid dearly for the war. Their relative security attracted thousands of rural refugees. Urban populations swelled, overcrowding scarce housing and stretching already precarious urban services. The population in one of the most affected cities, Chimoio in central Mozambique, tripled to 150,000 (Stewart et al. 2001a p. 111). The influx of war widows led to men being outnumbered by women by 20 percent (Schubert 1995 p. 502). An independent survey of PRU's Polana Caniço B upgrading site in Maputo, found over half the residents to be recent migrants from rural areas (Knauder 2000 p. 99). City electrical power and water services were disrupted by frequent rebel attacks on supply lines. Landmines and attacks on buses, trucks, and trains moving between government and rebel-controlled areas made access to cities by land difficult. Food shortages led to soaring prices in cities as shipments from rural areas were disrupted, or as rebel action forced farming to be abandoned altogether. Cities had to rely upon imports or international relief for their basic staples. As the war progressed, moreover, military operations encroached upon the cities themselves. RENAMO rebels came within 20 kilometers of Maputo, and 8 kilometers of Beira, and were active within the city limits of Nampula, for instance. The cessation of hostilities in 1992 brought relief to cities under siege, but population pressures upon them eased only in 1996 after some 4 to 6 million people had been peacefully resettled. Project implementation, therefore, was in crisis cities coping with war and its aftermath.

1.2 Both projects assisted Mozambique's urban areas, where 39 percent of the country's population currently lives, making the country more urbanized than sub-Saharan Africa in general—at 34 per cent. **PRU** focused upon rehabilitating services and housing of the capital city Maputo (pop. 1.4 million) and Mozambique's second city Beira (pop. 0.5 million). To these two, **PROL** added three smaller cities in the north, Nampula (pop. 240,000), Quelimane (pop. 160,000), and Pemba (pop. 80,000)—see map. The follow-on Municipal Development Project (Cr. 3549), approved on July 19, 2001, plans to benefit the same five **PROL** cities.[1]

1.3 These cities host many poor people, but neither project reviewed here directly addressed urban poverty nor its alleviation. Official estimates for 1991 indicate that 52.8 percent of the population of Maputo was living in absolute poverty, on less than one dollar per household member per day. For 1997, the International Fund for Agricultural Development (IFAD) reports that 62 per cent of the urban population lived below the national poverty line in Mozambique,

1. The Bank's official position had been to limit assistance to two cities only, to prevent the new project becoming too complex and risky to implement. Nevertheless, at the government's insistence, all five cities were included. (Letter from Bank to PROL team dated February 5, 1999)



close to the 69 per cent of the rural population similarly reported for that year (IFAD 2002).[2] In cities, the poor—many of them war refugees—live mostly in large settlements on the urban periphery that have few basic urban services, or none at all.

2. Project Design and Implementation

2.1 Despite its large scale and pervasiveness, Mozambique's urban poverty was not in the sights of the objectives of either **PRU** or **PROL** (see Box 2). The **PRU** operation was an *ordinary* urban project that eventually failed to deliver its outputs or achieve its aims in the *extraordinarily* difficult circumstances of Mozambique's cities facing war and poverty. The project documentation does not mention the conflict, urban poverty or market reform among the sector issues it reviewed.[3] The project never adequately involved the city authorities of Maputo and Beira, at the front line in the crisis. This led to an ambitious scope and complex design that strained the human and financial resources available to these cities.[4] Given the acute urban poverty and refugee crisis they confronted in 1988, more emergency relief—which was provided by the United Nations High Commission for Refugees – UNHCR—might have been a more appropriate response to the Mozambique's needs than an ordinary development project.

2.2 Implementation of **PRU's** two largest components—infrastructure and housing—was undermined by lack of counterpart funds, complicated GOM procurement procedures, weak local contractors and inadequate project staffing. Demand for the lines of credit for small and medium businesses and construction materials was weak and what was disbursed was not properly monitored. Project technical assistance too made little headway. A key intended recipient, GOM's housing agency HABITAR, was closed down, even though it had been specially set up to implement the project's housing component.

---

2. The IFAD figures imply that 36 per cent of Mozambique's poor live in cities, almost twice the 20 per cent share assumed by the current Country Assistance Strategy (CAS 2000 p.20) and its predecessors of 1995 and 1997. An upward revision of the CAS parameter of urban poverty might call for more country strategy attention to issues of urban development and improving the livability of the six million poor people in Mozambique's cities. OED's country assistance review of Mozambique found earlier that the Bank had given too little attention from the Bank (Landau 1998 p. 18).

3. PRU-SAR paras. 1.04 and 1.06-1.13.

4. PRU-ICR paras. 6-7. The ICR's conclusion endorses OED's earlier country review which found **PRU** to be unduly ambitious, overtaxing the limited capacity of a government engaged in war at the time of appraisal (Landau 1998 p. 18)

Box 2: Objectives and Components of PRU and PROL Projects

PRU - Urban Rehabilitation Project (Credit 1949)	***PROL - Local Government Reform and Engineering Project (Credit 2530)***
Objectives: Rehabilitate key elements of urban infrastructure and shelter (in Maputo and Beira) Provide employment through labor-intensive construction methods and stimulation of small and micro-enterprises Strengthen the local institutions responsible for provision and maintenance of urban infrastructure and services Support Borrower efforts toward making said institutions financially independent through cost-recovery measures & a long-term resource mobilization strategy at the local level	***Objectives:*** Support the Borrower's decentralization and municipal capacity building programs in the project cities Assist the Borrower to create a suitable municipal investment policy framework, prepare urban investment plans, and carry out pilot subprojects
Components (estimated* costs in US$ million): Rehabilitation of infrastructure – roads, drainage, sanitation, and coastal protection *($24.3m.)* Housing rehabilitation – high-rise buildings, sites and services, upgrading and resettlement *($23.2m.)* Solid waste management *($4.1m.)* Lines of credit for SMEs & building materials *($4.9m.)* Institutional development/planning capacity, strengthening, training, employment generation, land titling, financial strengthening *($3.4m.)* Project administration *($3.1m.)*	***Components (actual costs in US$ million):*** Legal and institutional reform – legal framework for implementation, training & capacity building skills *($0.7m.)* Fiscal, financial, and organizational reform – strengthening fiscal transfer system, mobilizing local resources, financing urban services, information systems *($3.7m.)* Urban and environmental management – municipal development programs, pilot subprojects (Pemba upgrading; Nampula environmental planning; Beira bicycle transport; five cities rapid mapping; Maputo land information system) and resettlement plans *($5.0m.)* Institutional capacity building/project management *(3.7m.)*

* Actual costs not reported for **PRU**.

Source: Technical and legal documentation of respective project.

2.3 **PRU**'s extraordinarily complex housing rehabilitation component ran into many problems. Although some apartments in the decrepit high rise buildings were refurbished, they were not affordable to the intended low-income beneficiaries. Contrary to the component's intent, the original residents could not afford to stay and were replaced by higher income households, such as mid-level officials of the Central Bank, for instance. The high cost of this kind of operation—US$7.6 million for 994 apartments at appraisal—also led to the bankruptcy of one of the contractors involved. In hindsight, GOM could have sold these buildings and given the job to a private real developer

2.4 More straightforward housing operations under **PRU** did not prosper, either. In Beira, poor drainage forced the abandonment of *Inhamizua* site as a viable urban residential community, even though it had been upgraded and serviced by the project. Today it is flooded and the sire is used as rice fields. Difficulties of appraising and supervising works on a poorly chosen site—15 kilometers from the city center and often under rebel control—no doubt contributed to the highly unsatisfactory outcome.

2.5 Infrastructure was poorly implemented, as evidenced from the works visited by the OED mission. Today, vehicles avoid the central roadways of upgraded streets in Maputo's *Mahotas* neighborhood, for instance, where the broken (and originally thin) pavement—introduced as part of the project's housing rehabilitation component—ensures a rougher ride than the unpaved shoulders do. Similarly, there were no improvements to the street network of Maputo's Polana Caniço B neighborhood that had been slated for upgrading with new infrastructure at appraisal.

Main access roads to these neighborhoods, also financed by **PRU**, are in poor condition today. The water distribution network in the low-income neighborhood of *Bairro Ferroviario*, also in Maputo—part of the project's infrastructure rehabilitation—remains dry and still unconnected to a reliable supply. Today, water vendors thrive in a low-income neighborhood supposedly served.

2.6 **PROL**, on the other hand, got off to a better start. The war had ended and the project was appropriately harnessed to GOM's policy agenda of decentralization, a potentially important instrument for including RENAMO in the post-war political settlement, and hence for consolidating peace. Thus **PROL's** project objectives deserve a high rating for relevance.

2.7 **PROL** unraveled during implementation, however. Weak GOM institutions, inept management by the Bank, a lack of trust and eventual breakdown of the Bank-Borrower relationship led to failure. Only half the expected expenditures of US$24.5 million were made. Even so, some **PROL** components incurred significant costs with insignificant results. US$3.9 million was spent on *preparing* designs pilot sub-projects for the cities—more than 80 percent of total amount budgeted for preparation *and* implementation—none of these sub-projects was actually built. US$3.7 million—twice the amount estimated at appraisal—was spent on fiscal and financial reforms. While many studies were undertaken,[5] municipal financial capacity did not strengthen, as hoped.[6] Despite double the spending intended, some technical assistance to municipal councils was cancelled for lack of financial resources.[7] Furthermore, coordination difficulties prevented consultants from actually bringing their advice to the councils.[8] Even so, project management—including staff training—represented an overhead of some 25 per cent of total costs.

3. Modest Assistance Toward Tenuous Decentralization

3.1 The only positive outcome of these projects was **PROL's** modest contributions in drafting legislation that was to help Mozambique decentralize some responsibilities to selected municipal authorities. But even this achievement was a flawed one for a number of reasons, however.

3.2 First, a successful legal challenge to the constitutionality of the seven laws drafted by **PROL** in 1995 forced GOM to seek a constitutional amendment, whose approval by parliament took two years. This meant delaying municipal elections until 1998. Furthermore, the text of the regulatory code necessary for implementing the laws—except that for the electoral law itself—was only completed in 2001.

3.3 Second, opposition parties, including RENAMO boycotted the elections. Restricting those elections to 33 cities only—which accounted for half the country's urban population—was a FRELIMO gerrymander, according to the opposition. Partly as a result of this, voter turnout was very low indeed; only 10 per cent in Maputo and not more than 15 per cent in other cities.

---

5. The PROL-ICR-02/99 reports several difficulties with these studies, such as: (i) insufficient time for proper data collection; (ii) lack of pride in the work and a desire to see it finished as quickly as possible; (iii) lack of local personnel in the cities to interact with the consultant teams doing the studies; (iv) failure to train local personnel to ensure that study findings would be implemented. PROL-ICR-02/99 pp. 64-65.

6. Ibid. p. 25

7. Ibid. p. 44

8. Ibid. p. 43.

3.4 Third, fiscal decentralization made no real progress. Municipalities are as financially dependent upon central government today as before 1998. The framework of municipal finance and revenue sharing arrangements with central government still has to be defined.

3.5 Finally, the **PROL** project itself proved to be a very inefficient instrument for producing these laws. Drafting them cost only US$0.7 million, half the appraisal estimate and only five percent of total project costs. But **PROL** incurred US$12.2 million additional expenditures for other components, with very little to show for it.[9] Bank staff and management informed that these additional 'collateral' costs were a worthwhile and necessary price to pay to engage the government in producing the legislative package. While such trade-offs are a valid part of urban project design, they should not be excessive, or fall upon components with few results of their own. Furthermore, they are not necessary when a borrower is committed to the priority component, as GOM was with the municipal legislation package.

4. Working with Debilitated Institutions

4.1 Apart from those directly linked to the war effort, GOM institutions were weakened by years of conflict that undermined their capacity and finances. Some 50 percent of GOM's budget are still financed by external donors. For **PRU** and **PROL**, this meant project offices dependent upon Bank funding for almost everything, from office equipment and supplies to complementing project staff salaries. Official salary scales are kept artificially low by GOM in Mozambique, and had to be topped up by the projects. Without that, good quality staff could be attracted and retained, as central government and municipal administrations know too well.

4.2 The **PRU** team found it difficult to manage and control the physical and financial progress of the project. They had, for instance, scheduled major expenditures for the Maputo water component that could only be reimbursed *after* credit closing, something quite impossible for the Bank to do. Only after a Bank consultant detected the impending problem, was emergency action taken to extend the credit closing, thereby allowing the Bank to disburse the necessary funds. This timely action—which should have been initiated earlier by the **PRU** team—avoided a heavy financial burden upon the government arising from its legal obligation to pay the contractor.

4.3 Under **PROL**, the central team in Maputo had difficulties in monitoring the status of pilot project investments in the five cities. In their discussions with the OED mission, the team reckoned that pilot investments in all five cities were ready for implementation. Only Bank unwillingness to extend the credit closing date had prevented it. But upon arriving later in the city of Nampula, the OED mission found no readiness for implementation there. Sites for a planned market and school had not been identified, and none were available in the target neighborhood. Protracted land acquisition—which had not begun—would have resulted in still more delays. In any case, there were insufficient project funds for execution, since most had been spent on the design work itself. There was a similar lack of preparedness in Beira, where planning to accommodate the proposed increase in bicycle traffic within the city's street network had not begun.

4.4 In Nampula, the city was unable to retain staff to manage the computer mapping system, part of **PROL's** capacity building efforts. The equipment was installed, but without trained staff

9. Pilot sub-projects (US$5.0 million) were not implemented (para. 2.7), municipal fiscal and financial reforms (US$3.7 million) did not occur (para 2.7) and project management itself (US$3.7 million)—representing a 27 per cent overhead for the project as a whole—cost five times the municipal legislation package.

to operate it. City officials informed the OED mission that they did not have the budget to attract and retain the necessary staff. There was a similar disuse of a sophisticated computer network in Maputo city hall, designed to help municipal financial management across departments. This time for lack of training, it was used instead only for word processing tasks at disconnected workstations. **PROL**'s pilot Land Information System for Maputo made little headway too, as important landowners were reluctant to reveal their patrimony to the authorities for fear of having to pay taxes.

4.5 Maputo city's severely limited service capacity was on show during the OED's visit. It took the form of piles of uncollected garbage in the city streets throughout the downtown. According to city authorities later interviewed by the OED mission, the cause was insufficient collection equipment—only three vehicles in working order, as reported in a local newspaper.[10] The earlier **PRU** project had supported this service through a US$4.1 million solid waste component (See: Box 2).

5. Need for Greater Accountability

5.1 Tracking of and accounting for project expenditures was precarious, especially under **PRU**. A management letter accompanying the FY94 audit sought clarifications about why Bank disbursements for vehicles and consultants had exceeded credit agreement ceilings by SDR 180,218 and SDR 925,426, respectively. Total GOM counterpart expenditures on the project—SAR estimates were for US$6 million—are still not known to the Bank. Repeated Bank requests for the **PRU** team in Maputo to assemble final cost data for the ICR met with promises, but no data. The Bank country department's decision to ignore the final costs as unimportant[11] may have allowed the ICR to be delivered on time. But it signaled to the borrower that the Bank cares little for the final accountability of its own and counterpart resources used for the projects. OED too requested to see the final cost data during its mission to Mozambique, but without success.

5.2 A subsequent financial audit of **PRU** accounts by the project auditors—delivered late and after the Bank ICR had been issued—found unexplained debits and deposits in the project special account in amounts of US$357,853.[12] OED was unable to deduce from the project files how this matter was resolved, if at all. The Bank was remiss for not insisting on the full accountability of these operations. Financial audits are important instruments of accountability, constituting valuable anti-corruption tools when used with vigor.

5.3 The Bank was remiss at the closing of both **PRU** and **PROL**. Neither Bank ICR included the required borrower ICR—indispensable to the valuable borrower perspective on the results of an operation. The stories of the two projects in this respect could not have been more different, though. For **PRU**, OED was unable to bring the borrower ICR to light even after inquiries in Washington and Maputo. For **PROL**, the Region produced a borrower ICR (dated June 1999) at OED's request at the ICR review stage, and later *another* quite different borrower ICR (dated February 1999) was handed to the OED mission in Maputo.[13] The coverage of the February 1999 ICR, called the "PROL-ICR-02/99" in this report—was much broader and more critical of the

10. *Noticias* Maputo January 23, 2002.

11. Internal Bank memos to task manager from country director dated January 29, 1997 and April 1, 1997.

12. PRU auditor's report for financial year ended 31 December, 1996, p. 6.

13. The Bank's operational department in the Region informs that it did not receive a copy of this report.

project performance. For this assessment OED used both versions. Borrower consistency and coherence in evaluation, though, would have been better served by one report only.

6. Breakdown of Bank-Borrower relationship

6.1 Most evident at the level of the Borrower project team/Bank task team in **PROL**, the breakdown was protracted over a four-year period between 1994 and 1998. The PROL-ICR itself has several candid references to the difficulties of Bank-borrower interaction (paras. 21, 26-31 and 35). It distracted both parties from the pursuit of the project objectives, and even led to the Bank's exclusion from dialogue on reforms that had been at the heart of the project.[14] Even the simple execution of **PROL** pilot physical projects made no headway, as communications between Washington and Maputo became dysfunctional. OED could detect a general malaise among the project team in Maputo, if not in Washington. Despite knowledge of the poor Bank handling of this relationship during 1994-98—evident from correspondence at the time and unsigned aide mémoires now in the project files[15]—Bank management did not see fit to take remedial action then.[16] It is an issue that still poses risks today. The new MDP project (Cr3549) is largely in the hands of players marked by the **PROL** breakdown, although OED recognizes that considerable efforts have been made to cultivate an improved relationship for the benefit of new operation.[17]

6.2 Things got off to a bad start during the **PROL** appraisal, when the failure of the Bank's task team to distribute project documents to the MAE minister, led to a complaint to the Bank.[18] The Bank then further upset the Borrower by assigning four different task managers over the 1992-94 period. The **PROL** team explained to the OED mission that it had not invoked minister-level help to resolve issues like these, suggesting that conflict containment measure were either not in place or not working in Maputo.

6.3 The Bank nevertheless fielded ten supervision missions to Mozambique, but most stayed for only a few days. Bank-Borrower disagreements over mission timings were documented on at least two occasions.[19] **PROL** communication with the Bank task manager during implementation was difficult, and task manager decision-making was unpredictable and inconsistent, according to the borrower.[20] Mission Aide Mémoires for **PROL** fell into disuse,[21] a serious shortcoming for what the Bank considers to be its "main instrument for written communication with the Borrower and project management."[22] Early Aide Mémoires prepared in the field went unsigned by **PROL**

14. Bank PROL-ICR paras. 26-31. In the words of the ICR, para. 28.

15. The problems were not captured by supervision mission reports, however, which usually rated borrower project management to be satisfactory.

16. From OED meetings held with them in Washington, this remains the position of the managers involved.

17. Paradoxically, documentation of the new project refers to "a relationship of confidence with the MAE in particular" Mozambique: Municipal Development Project (Cr3549) SAR p. 18. This contradicts the clear Bank ICR emphasis on the breakdown of this relationship PROL-ICR.

18. Internal Bank note of July 15, 1993.

19. Fax from PROL management to Bank dated January 23, 1995. Internal Bank e-mail of March 26, 1997, proposing the intermediation of the Bank resident representative.

20. PROL-ICR-02/99 p. 55 and p. 57

21. PROL-ICR-02/99 p. 54.

22. As noted in paragraph 29 of *Guidelines to staff on project supervision*, issued in support of Bank OP 13.05 on Project Supervision.

management, who disagreed with their content. Later, what purported to be Aide Mémoires were prepared unilaterally by the Bank's task team in Washington. The Bank's own guidelines state, however, that Aide Mémoires "should be discussed with the Borrower and project management and record agreed actions."[23]

6.4 Other correspondence from the Bank in Washington to the project team in Maputo during implementation was peremptory in tone and strong on minor administrative matters,[24] while not conveying leadership by addressing key development issues or to achieve the project's objectives. The poor relationship had taken policy issues off the agenda, according to the Bank ICR, as reported earlier.[25] Correspondence from **PROL** to the Bank was thin in the project files. Allegations of undelivered mail and documents nevertheless abound.

6.5 On the Borrower side, misunderstandings about the role of the Bank persist despite nearly 15 years of joint work in the urban sector in Mozambique. Early on, the **PROL** team organized a project launch seminar in Maputo without inviting or even informing the Bank. Upon hearing about this, the task manager had to remind **PROL** management in Maputo that the Bank is not normally excluded from these events.[26] Lack of familiarity with the Bank's safeguard policy on involuntary resettlement—despite its restatement in **PROL** project documentation—led the **PROL** team to falsely believe that the Bank task manager's insistence that the Pemba city upgrading scheme meet involuntary resettlement requirements, was merely a whim of that individual.

6.6 Toward the end of project implementation, the **PROL** team was upset that a consultant's contract could not be extended beyond the agreed closing date of the Credit.[27] In discussions with the OED mission, the **PROL** management demonstrated that it was unfamiliar with the process of extending project-closing dates, again believing that such matters are decided unilaterally by the task manager. Also, a lack of appreciation of the Bank's heavy fiduciary responsibilities toward ensuring the correct use of its funds left the team in Maputo feeling that Bank controls had been excessive. The predecessor **PRU's** insufficient accountability could help explain greater caution by the Bank in the oversight of the follow-on **PROL**.

6.7 The Borrower PROL-ICR-02/99 laments the "lack of a simple and effective channel of communication with the staff responsible for the **PROL** project in Washington."[28] Several OED mission interlocutors in Maputo reckoned that the Bank and GOM still do not understand each other too well. Language may be an issue here. The Borrower ICR called attention to inadequate command of Portuguese—by foreign consultants in particular—which undermined contributions

---

23. Ibid.

24. Examples of Bank letters included: (i) Withheld the Bank's no-objection on account of overspending by five US cents on a contract to buy office stationary in an amount of approximately US$11,000 (August 24, 1995); (ii) very detailed questioning why the use of Lotus 123 instead of Microsoft software as part of a computer purchase contract for less than US$25,000 (March 21, 1996) (iii) rebuke to PROL team for rapid staff turnover within a consultancy contract in one city (December 2, 1997).

25. This was a very serious handicap for a policy-oriented operation. The constraint was confirmed in subsequent discussions in Washington with Bank staff involved.

26. Bank letter to PROL management dated January 20, 1995.

27. Bank letter to PROL management dated September 15, 1997. As discussed earlier, a similar problem occurred at the closing of PRU.

28. PROL-ICR-02/99 pp. 42, 55 and 57. Resulting delays in Bank communicating 'no-objections' are highlighted.

to the project.[29] As well as linguistically, Bank communication has to excel in tone, speed, responsiveness, and information content.[30] The Bank's operational department for the Region informs that there has been a complete turn around on the language issue, now that Bank teams are now entirely Portuguese-proficient.

7. Conclusions and Lessons

Ratings

7.1 ***PRU:*** The *relevance* of most of the major objectives was **negligible** to the development priorities of cities facing urban poverty on an enormous scale still today and on-going civil war at the time of appraisal. Project *efficacy* is considered **negligible** since none of the four objectives was achieved. Project *efficiency* is also rated **negligible**, given the very high costs incurred for the insignificant benefits reaped. *Overall outcome* is therefore rated **unsatisfactory**, given the failure to achieve most of these objectives. *Sustainability* is rated **unlikely**, since the limited physical outputs of the project show little sign of resilience. *Institutional development impact* is rated **negligible**, since no significant changes occurred in the conduct of urban development business in Mozambique as a result of the project. *Bank performance* is rated **highly unsatisfactory** principally for the very poor quality at entry of the project. *Borrower performance is rated* **highly unsatisfactory** for the government's failure to take into account at the design stage the economic, financial, and resource constraints upon the project and for poor implementation management, especially as far as cost control and timely actions were concerned.

7.2 ***PROL:*** The *relevance* of both project objectives supporting decentralization and municipal strengthening was **substantial**. Project *efficacy* was **negligible,** however, owing to the failure to implement the project's physical components, municipal capacity building, and financial strengthening as well as the very modest assistance toward a tenuous decentralization process. Project *efficiency* was also **negligible**, since considerable costs were incurred for very little result. *Overall outcome* is therefore rated **unsatisfactory**; for the failure to achieve the two project objectives. *Sustainability* is nevertheless rated **likely**, given the political imperative of continuing with decentralizationin some form in Mozambique. *Institutional development impact*, at the heart of the project's raison d'être, is rated **modest**, given that a few elements of the decentralization framework are in place. *Bank performance* was **highly unsatisfactory** especially during implementation, when poor management helped bring down a potentially successful project and led to a breakdown in Bank-Borrower relations. *Borrower performance* was also **highly unsatisfactory**, for the lack of dialogue with the Bank notably on the project's focal policy reform, which made little progress in the end, and for poor implementation management that left several components half finished.

Conclusions

7.3 The results of more than a decade of Bank assistance to Mozambique's cities—whose prosperity is key to the country's future development—have been disappointing. Performance in

29 Ibid. pp. 48 and 65

30. A parallel OED assessment of eight adjustment projects in Mozambique found that past communications failures helped fuel a damaging and still lasting impression in the country that Bank support for trade liberalization in cashew—Mozambique's principal cash-crop export—was designed to kill off a promising cashew processing industry there. The issue came to a head during Mr. Wolfensohn's 1997 visit to the country, when he was publicly criticized for this (OED 2002 p. 22)

this sector has not matched the upbeat assessment of Mozambique's development achievements in the latest CAS (World Bank 2000 para. 1), nor the 80 percent satisfactory rate of the 20 other completed projects evaluated by OED to date. In this case, the Bank did not take a careful reading of the extraordinarily difficult conditions facing the country's cities—particularly war, poverty, and structural adjustment. The Bank still needs to give more attention to the role of cities in the country's economy and the government's modest yet politically significant decentralization reform. Borrower project teams in Maputo, working under constraints imposed by their debilitated agencies, did help prepare the follow-on MDP project, but still have a lot to learn about successfully implementing a Bank-financed project. Poor communication all round and a protracted breakdown of Bank-Borrower relations helped stall learning on both sides. Improved communications must be part of the solution. New players and institutions should be involved for this to be achieved.

Lessons

7.4 ***Continuous and rigorous oversight by Bank management of Bank/borrower relations is needed to detect and correct failings before project outcomes suffer.*** The PROL experience showed how a breakdown in this relationship halted the policy and reform dialogue that had been at the heart of the project and prevented the implementation of the operation's physical components.

7.5 ***A perfunctory attitude by the Bank toward borrower reports of final costs, audits and ICRs can undermine borrower accountability and learning too.*** By not insisting on finalized PRU project accounts, financial audits, and a Borrower ICR for PRU, the Bank conveyed to the Borrower a lack of its seriousness about project control and accountability.

7.6 ***In order to succeed, projects in war-affected countries must take explicit account of the conflict.*** As the failed **PRU** experience demonstrated, peace-time objectives such introducing formal credit instruments for SMEs, strengthening routine maintenance capabilities and instilling financial independence through cost recovery in local institutions, do not thrive in cities under siege.

Bibliography

Ayisi, Ruth Ansah "Mozambique: The Urban Influx" in *Africa Report* November-December 1989.

Braathen, E. and B.V. Jortgensen. 1998. "Democracy without People: Local Government Reform and 1998 Municipal Elections in Mozambique" in: *Lusotopic 1998 pp. 31-39.*

Bruck, Tilman. 2001. "Mozambique: The Economic Effects of the War" in: (Stewart et al. 2001b)

Cabrita, João M. 2000. *Mozambique: The Tortuous Road to Democracy* Basingstoke, Palgrave.

Chigono, Mark F. 2001. "Mozambique: War, Economic Change, and Development in Manica Province, 1982-1992" in: (Stewart et al. 2001b)

Dia, Mamadou. 1996. *Africa's Management in the 1990s and Beyond* Washington DC, World Bank.

Economist Intelligence Unit. 2001. *Mozambique: Country Profile 2001* London, EIU.

IFAD. 2002. *Assessment of Rural Poverty: Eastern and Southern Africa* Rome, International Fund for Agricultural Development

Knauder, Stefanie. 2000. *Globalization, Urban Progress, Urban Problems, Rural Disadvantages: Evidence from Mozambique* Aldershot, Ashgate

Lachartre, Brigitte. 1999. "Élections municipales et démocratisation au Mozambique" in: *Politique africaine No. 75* October 1999.

Landau, Luis. 1998. *Rebuilding the Mozambique Economy* Washington DC, The World Bank OED Country Assistance

Marshall, Katherine. 1998 *From War and Resettlement to Peace Development: Some Lessons from Mozambique and UNHCR and World Bank Collaboration* Cambridge, Harvard Institute for International Development, Discussion Paper No. 633.

OED – Operations Evaluation Department. 2002. *Project Performance Assessment Report of Eight Adjustment Projects in Mozambique* Washington D.C. The World Bank.

Republic of Mozambique (undated) *Relatório de Avaliação Final do Projecto* ***PROL*** Maputo, Direcção Nacional da Administração Local.

Republic of Mozambique. 1992. *Relatório Sobre os Resultados do 2o Módulo do Inquérito às Familias na Cidade de Maputo.* Maputo, Direcção Nacional de Estatística.

Schubert, Bernd. 1995. "Poverty and Poverty Alleviation Programmes in the Urban Areas of Mozambique" in: *Habitat International* Vol. 19 No. 4.

Stewart, Frances; Valpy FitzGerald and Associates. 2001a. *War and Underdevelopment: Volume 1 – The Economic and Social Consequences of Conflict* Oxford, Oxford University Press

Stewart, Frances; Valpy FitzGerald and Associates. 2001b. *War and Underdevelopment: Volume 2 – Country Experiences* Oxford, Oxford University Press

United Nations Centre for Human Settlements – UNCHS. *Urban Indicators.*

World Bank. 2000. *Country Assistance Strategy: Mozambique* Washington DC, World Bank.

World Bank. 2001. *World Development Report:2000/2001: Attacking Poverty.* Washington D.C., The World Bank.

Annex A. Basic Data Sheets

URBAN REHABILITATION PROJECT (CREDIT 1949-MOZ)

Key Project Data *(amounts in US$ million)*

	Appraisal estimate	*Actual or current estimate*
Total project costs	83.8	na
Loan amount	60.0	53.7
Cofinancing	17.8	na
Cancellation	0	6.3
Date physical components completed	12/94	09/96
Economic rate of return	39%	na
Institutional performance	-	-

Cumulative Estimated and Actual Disbursements

	FY89	*FY90*	*FY91*	*FY92*	*FY93*	*FY94*	*FY95*	*FY96*	*FY97*
Appraisal estimate (US$ millions)	1.0	8.0	22.0	38.0	52.0	58.0	60.0	60.0	60.0
Actual (US$ millions)	7.8	9.1	18.3	30.1	43.1	48.1	51.0	52.1	53.6
Actual as % of estimate	781.0%	113.0%	83.0%	79.0%	83.0%	88.0%	86.8%	89.1%	89.3%
Date of final disbursement: 1/9/97									

Project Timetable

Steps in project cycle	*Date planned**	*Date actual*
Identification		October 1987
Preparation		January – February 1988
Appraisal		April 1988
Negotiations		June 20-24, 1988
Board presentation		August 2, 1988
Signing		October 19, 1988
Effectiveness		February 14, 1989
Midterm Review (if applicable)		March 1992
Project Completion	December 1994	September 1996
Credit Closing	December 31, 1995	October 31, 1996

*As provided, for example, in the Staff Appraisal Report (SAR)

Staff Inputs (staff weeks)

Stage of project cycle	*Actual*	
	Weeks	*US$ thousands*
Through appraisal	71.4	165.9
Appraisal-Board	9.0	21.4
Board-Effectiveness	14.0	25.5
Supervision	109.3	270.3
Completion	13.0	30.3
Total	216.7	513.4

URBAN REHABILITATION PROJECT (CREDIT 1949-MOZ) CONT.

Mission Data

Stage of project cycle	*Month/year*	*No. of persons*	*Staff days in field*	*Specialized staff skills represented a/*	*Performance rating b* Implementation Status	Development Objectives	*Legal*	*Project Mgmt.*	*Avail. Funds*	*Types of problems*
Through Appraisal:										
Identification	Oct-87	5	12	a.d.g.	na					
Pre-appraisal	Jan-88	6	15	A,d,e,f,g	na					
Appraisal to Board	Apr-88	9	16	A,d,e,f,g,h,l	na					
Board to Effectiveness										
	Sep-88	5	5	d,h,m,l,g	na					
	Jan-89	1	7	d	na					Institutional
Supervision										
	May-89	2	15	A,e	1	1	1	1	2	
	Jul-89	1	2	A		No 590				
	Sep-89	6	2	A,j		No 590				
	Oct-89	5	12	d,e,g,i	1	1	1	1	2	Institutional
	Jan-90	2	14	d,z		No 590				
	Mar-90	1	11	G		No 590				
	May-90	4	18	d,e,g,k	1	1	1	1	1	Procurement
	Sep-90	2	2	d,e,g,k	1	No 590	1	1	1	Procurement
	Oct-90	4	12	d,h,l,e	1	2	1	2	1	Procurement
	Feb-91	2	2	A,e		No 590				
	Feb-91	3	30	d,e	1	2	1	2	1	Coastal component
	Sep-91	2	4	A,z	No 590					
	Nov-91	3	11	d,e,n	2	2	1	2	1	
	Mar-92	3	13	d,e,n	2	1	1	1	2	Weak local capacity
	Oct-92	2	6	d,e		No 590				Weak local capacity, sustainability
	Apr-93	1	2	O		No 590				
	Jun-93	2	6	d,e		No 590				Capacity, finance
	Sep-93	1	3	O		No 590				
	Jan-94	1	7	O		No 590				
	Jan-94	2	11	d,a	2	2	1	1	2	Solid waste, sustainability
	Jun-94	2	3	d.z		No 590				
	Oct-94	2	2	d,e		No 590				
	Feb-95	1	3	d	S	S	2	2	2	
	Apr-95	1	3	d		No 590				
	Jul-95	2	6	A,d		S	2	2	2	
	Nov-95	2	5	d,a						
	Feb-96	2	3	d,a	U	U	3	3	2	management

Legend for skills:
A=financial analyst
B=transport economist
c=transport pl f=housing
d=urban plan g=institutional d
e=engineer h=legal
k=geographer
l=sanitation
j=water
n-GIS
I=procurement
m=Bank manager
O-operations
z-not specified

LOCAL GOVERNMENT REFORM AND ENGINEERING PROJECT (CREDIT 2530-MOZ)

Key Project Data *(amounts in US$ million)*

	Appraisal estimate	*Actual or current estimate*
Total project costs	24.5	13.9
Loan amount	23.2	13.3
Cofinancing	0	0
Cancellation		9.9
Date physical components completed	03/98	03/99
Economic rate of return	na	na
Institutional performance	-	-

Cumulative Estimated and Actual Disbursements

	FY94	*FY95*	*FY96*	*FY97*	*FY98*	*FY99*	*FY00*
Appraisal estimate (US$ millions)	1.7	4.6	9.8	19.7	23.2	23.2	23.2
Actual (US$ millions)	0.0	3.6	5.2	7.1	8.8	13.2	13.6
Actual as % of estimate	0.0%	78.3%	53.1%	36.0%	37.9%	56.9%	58.6%
Date of final disbursement: 9/17/99							

Source: Bank MIS, Bank Loan Administration System and staff estimates

Project Timetable

Stage of project cycle	*Date Planned**	*Date actual/Latest Estimate*
Identification (Executive Project Summary)	na	11/91
Preparation	na	na
Appraisal	na	06/92
Negotiations	5/4/93	04/04/93
Letter of Development Policy	na	na
Board Presentation	na	06/29/93
Signing	na	09/17/93
Effectiveness	10/1/93	7/30/94
Credit Closing	03/31/98	03/31/99

*As provided, for example, in the Staff Appraisal Report (SAR).

Staff Inputs

Stage of project cycle	*Planned*		*Revised*		*Actual*	
	Weeks	*US$*	*Weeks*	*US$*	*Weeks*	*US$*
Through appraisal	na	na	na	na	44	80.4
Appraisal-Board	na	na	na	na	66	131.8
Negotiations	na	na	na	na	5	11.8
Supervision	110	na	na	na	98	241.1
Completion						na
Total						465.1

Mission Data

Stage of project cycle	*Month/ year*	*No. of persons*	*Staff days in field*	*Specialized staff skills represented a/*	*Performance rating*	*Types of problems*
Through Appraisal:						
Identification	9/91	3	20	D,	na	na
Preparation	12/91	6	18	A,d,h,n,	na	na
Pre-appraisal	4/92	7	13	A,d,e,f,n,	na	na
Supervision						
Preparation for implementation	3/94	2	10	A,d,	na	Slow progress towards effect.
Supervision 1	11/94	2	3	D,e	S	Slow progress
Supervision 2	3/95	2	6	A,d	S	Need to establish SA
Supervision 3	7/95	1	5	A,	S	Launch Workshop
Supervision 4	11/95	4	10	A,d,g	S	Election law package withdrawn
Supervision 5	3/96	3	4	A,d,j	S	New laws delayed
Supervision 6	11/96	5	3	D,l,m	S	Mid-term review
Supervision 7	4/97	1	2	D,	S	Slow progress on training
Supervision 8	6/97	2	15	A,j	S	Slow progress
Supervision 9	10/97	2	4	A,d	S	Extension and restructuring
Supervision 10	4/98	1	3	D,	S	
Completion	2/99	3	10	D,e,l	S	ICR

Source: Project files and Bank staff estimates.

Annex B: Borrower Comments

(None were received)

IMAGING

Report No.: 24421
Type: PPAR