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## Mozambique: Expanding rural infrastructure

*Richard Gerster\**

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After Mozambique's independence in 1975 a civil war broke out. Unimpaired development has only been possible since the peace agreement in 1992. "Progress attained in these few years is clearly visible and improved the life situation of the population", says Agostinho Chelua, governor of the Erati District in the North of the country. In Erati the change is best visible in the educational system: Milestones are the introduction of secondary school, an increase of student numbers from 10'000 to 60'000 within a decade and expanding school infrastructure as a backbone for this development. With more than 70 students per class the educational quality is, however, still far from satisfactory.



*Agostinho Chelua, governor of the Erati district.*

### **At a chameleon's pace?**

In order to provide a voice for the 259'000 people of the district when it comes to planning and investment matters, there is a district council with 50 members – with a minimum of 30 percent women. Since 2009 the district budget amounts to almost one million US dollars (23,5 mio Meticaïs) which translates into a little less than four dollars per person. Additional larger investments come from the ministries, for example for streets or health matters as well as from international donors which bypass the regional budget and invest directly in the re-

gion. "We're ambitious", explains a member of the district council. "Our district should be at least above the average of the province. But there is still a long way to go." While progress in schools is remarkable, only every fifth person (22 percent) in Erati has access to clean drinking water. In the entire Nampula province the rate is 40 percent. The national average in rural Mozambique is at 48 percent. The government aims at 55 percent by 2009, the Millennium Development Goals foresee 70 percent by 2015. But also in the health field the backlog is considerable: The distance to the next health station in Erati is 30 km on average, while the World Health Organisation envisages a maximum of 5 km.

At the beginning of our meeting an older man asks his neighbour to put his name down on the list of attendees. He is obviously illiterate, as are many of the numerous district councils. They are encouraged to attend a literacy class. During the meeting he remains silent until he is asked to make a statement at the end. He speaks in the local language Emakua which is translated into Portuguese and then English. He points out the insufficient quality in the construction of infrastructure projects – an important point. Because there are often no efficient controls for the out-of-town construction companies, a lot of money is lost and noticeably lacking in other areas.

An understandable impatience is noticeable when a member of the Erati district council says that the district is moving "at a chameleon's pace" – in a race that a snail might win. But in addition to the educational improvements, a number of things were achieved in the district, as other representatives of the council mentions. Two new health centres were recently opened. Several watering places were constructed through the district administration or with international support: Switzerland, for example, contributed to the well of Nacucha –



*More children are attending school in Erati, but the quality leaves a lot to be desired.*

opened in 2007 and some 45 metres deep. The 200 families in the neighbourhood contributed to the costs of the pump. A local committee and a well master are responsible for running and maintaining the infrastructure. In spite of their own contributions the water is not free, but costs 50 cents per family (10 Meticaïs) per month. Previously the people got the water from the river which is 4 kilometres away and whose polluted water often lead to diarrhoea.

### ***The seven million infusion***

A dead hand of the early years of independence is the concentration of power and the administration in the capital Maputo. Decentralisation has a firm place on the political agenda since the adoption of the respective laws in 1997 and 2003. It experienced renewed energy when in 2006 the newly elected president Armando Guebuza announced that starting in the following year all 128 districts of the country would receive 260'000 dollars (7 mio Meticaïs) for investments to be used in line with their own priorities. The surprise was perfect. "It makes a huge difference to us. Our budget almost doubled in the past three years", says Agostinho Chelua. "Decentralisation receives new nourishment from this money and the population's voice."

The seven million infusion was a political decision of the newly elected government. It was facilitated by substantial foreign support for Mozambique's state budget. A group of 19 countries – including Switzerland – and international organisations contribute 448 million dollars (2008), 15.6 per-

cent, to the state budget. Overall costs for the seven million infusion amounted to some 2 percent of the state budget. In the meantime the annual transfer to the "Investment Fund for Local Initiatives" has been increased from 260'000 to 375'000 dollars (7 to 10 mio Meticaïs) per district and is complemented by another 85'000 dollars (2,3 mio Meticaïs) particularly for local infrastructure projects.

In view of a citizen friendly administration the donors have promoted decentralisation for a long time. In return for budget support the government has, among other things, committed itself to advance decentralisation. The performance assessment frameworks (PAF) for 2007 and 2008 contain standards which indicate the minimal amount to be transferred to provinces, districts and municipalities. Likewise, a minimum of 60 (2007) respectively 80 (2008) percent of all district councils need to be functional. Previously to the annual budget support meeting 2005 a joint delegation of donors and government representatives visited two provinces and returned with the recommendation to consider allowing for flat transfers/ payments of lump sums to the districts. This effort followed up a proposal by Switzerland which assumed the chair in 2004/05 of the budget support donor group.

Nevertheless, a debate about the use of the financial infusion ensued. The government wanted this money to be spent on productive investments such as the cultivation of food stuffs or the creation of jobs. In the reality of Erati this means that a farming



*Dispensing medication at the hospital of Mecuburi.*



*In Namapa the ministry of health renovates and expands the rural hospital.*

community purchasing a tractor, small mills, storage space for cereal or the acquisition of cattle is financed with loans with an interest of 8 – 12 percent. In the neighbouring district Nacaroa loans are provided exclusively to associations and companies. Rui Martinho, for example, has closed his improvised carpenter's shop under the mango tree and opened a workshop together with twelve professional colleagues thanks to a loan of some 8400 dollars (219'000 Meticais). All financing requests require a positive statement from the district council.

An unresolved issue is the manner in which the districts obtain knowledge and personnel to set up a professional loan management. It is no secret that payback rates in Erati and Nacaroa are unsatisfactory. District loans are therefore seen as unfair competition to the banking and microfinance institutions – which admittedly have not had a vast presence in the remote regions. A further criticism concerns the allocation of loans which is sometimes based on political criteria and prefers friends and future allies of the state supporting Frelimo party. For 2009 the government has announced new rules for the handling of the money. "In Mozambique many are con-

cerned with social progress. But there are only limited visions when it comes to local economic development. In this respect the financial infusion is a bold decision by the government – in spite of weaknesses which will be removed", says Vicente Paulo, Provincial Manager of the Decentralised Planning and Finance Programme (PPFD) in Nampula.

### ***Nampula – source of inspiration***

For many years Nampula province has served as a practice field for decentralisation, to develop suitable mechanisms for the population's participation at the local level. The district council which facilitates opportunities for citizens to raise their voice and gain insight into the local government's affairs is a part of this. It has made the abuse of public money more difficult. After the civil war the administration was scared by the population's and non-governmental organisations' participation. Today, a trusting cooperation is the rule in Nampula. The positive results have led to the fact that starting in 2009 Nampula's decentralisation model will be introduced at the national level.

Nampula has been a focus of Swiss cooperation in the field of decentralisation for more than a decade. Together with other donors, Switzerland was actively engaged in developing and refining the Nampula model in a long and joint process with the population, the government and further partners. The conviction that the population's voice cannot be replaced with anything when adequate rural infrastructure

needs to be provided was the guiding principle. The now implemented scaling-up to the national level of Mozambique provides the Swiss contribution with unexpected effectiveness. General budget support contributes to a conducive overall framework ensuring that at a national level that decentralisation takes place in a productive political and financial context.



*Decentralisation in the poor northern province of Nampula has progressed further than in other regions.*

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