Policy Paper

UCLG committee on STRATEGIC URBAN PLANNING:

Reflections from Africa: MOZAMBIQUE AND SOUTH AFRICA

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1 Based on the report provided by Felicity Kitchin South Africa
1. Introduction

In most developing countries, urban growth is accelerating, with this growth now extending from large cities to middle and smaller size cities and towns. In order to be in a position to deal with this growth in a constructive fashion and to avoid sprawling informal settlements, it is important that developing countries share their experiences and the mechanisms they have in place to address urban growth.

Mozambique has one of the largest urban populations in East Africa, with current growth rates of 36% expected to increase to 60% over the next 20 years. Mozambique has adopted an agenda of urban reform which can provide valuable lessons to consider in the development of an enabling environment for strategic planning. This chapter aims to compare the overall institutional and legal framework related to strategic urban planning in the cities of Mozambique, with that of one of its neighbours, South Africa. It provides an overview of the challenges facing cities and municipalities in both countries, the planning instruments available to address these, and highlights problems and successes in using these.

This paper is intended as input to the policy paper on the legal and institutional framework and enabling environment for strategic urban planning. It aims to show how these two African cases can help enrich the policy paper in strategic planning internationally.

It is extremely important to document the experience of cities in countries that have not yet completed their strategic planning, as a basis for improving intergovernmental relations. One of these countries is Mozambique and the current agenda of the decentralization process can benefit from a more specific focus on planning. It is hoped that a comparison of the situation facing municipal leaders in both countries will assist in identifying potential areas for lobbying for the National Association of Municipalities of Mozambique (ANNAM), and in focusing requirements for support and focal points for change and advocacy. Internationally, the case of both countries provides lessons learnt for other countries in the region and also for international policy development of and for local governments.

The paper is based on a combination of desk top research, proceedings of a workshop with municipalities to address strategic planning and city development strategies, conducted in Maputo in April, 2009, and interviews with key correspondents. It consists of five further sections. Section 2 considers the institutional implications for a framework of urban reform and development in South Africa and Mozambique, extracted from the findings of the desk-top research. Section 3 provides a motivation for the importance of effective strategic planning, based on the experiences of both South Africa and Mozambique. Sections 4 and 5 provide an overview of the legal framework for planning in urban areas in South Africa and Mozambique respectively, while Section 6 examines the similarities and differences in the local government context in South Africa and Mozambique.
In extrapolating from the experiences and practices of Mozambique and South Africa to other areas, it is important to recognize that the driving forces for urbanization are not the same in all countries. For example, “in Angola and Mozambique, urbanization has been driven largely by civil conflict which forced many rural residents to flee to relatively safer urban areas. About 4.5 million Mozambicans were displaced to urban areas during the 1980s”. In Mozambique, particularly, and to a certain extent also in South Africa, civil strife severely impacted on the rural livelihood base. People fled to urban centres to escape from violence and fighting in rural areas which contributed to rural-urban migration and the growth of urban centres. The destruction of the rural livelihood base has contributed to urban growth as a result of the need for rural residents to combine non-agricultural activities, mainly in the urban informal sector, with subsistence farming for their survival, rather than the product of demand for labour in urban-based industry and services.

There are remarkable similarities between local government and municipal planning in South Africa and Mozambique. In both cases, the current municipal structures and boundaries are characterized by the following:

- Municipalities are newly established
- In both countries, the focus of local government is now on developmental local government, incorporating a more long, term and strategic approach
- They are characterized by complex land use patterns and different forms of tenure, some of which involve traditional authorities
- Both urban and rural areas are incorporated within one municipality’s boundaries, which creates problems for strategic planning and appropriate planning capacity. There is a need to ensure that the benefits of urban development are spread to the more rural hinterland.
- Municipalities are vast in geographic extent
- Incorporation of traditional authority areas into municipalities is difficult
- There are historical backlogs in service delivery and inequitable provision of services and opportunities across municipalities, due to the apartheid or colonial legacy of the country
- In addition, most municipalities face increasing demand for services
- Most municipalities have a limited tax base, and limited ability to generate their own revenue
- Most municipalities have a weak organizational structure and low levels of capacity, and there is a need to develop strong capacity building programmes

A major difference in the local government situation is that in South Africa, there are wall-to-wall municipalities (i.e. all areas of the country fall under municipal government), whereas in

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2 Chenje 2000, AFRICA ENVIRONMENT OUTLOOK Past, present and future perspectives
Mozambique, gradualism is practiced. In Mozambique, all land is mainly public property and seems to be more susceptible to corruption with regard to land allocation.

With regard to strategic planning for urban development, the following key issues arise from a consideration of the two countries:

- In both countries, municipalities recognize the need for planning in general and strategic planning specifically. Municipalities are: leaders, politicians, technicians, and stakeholder.

- It is important that the planning process is valued, and that necessary time and resources for effective planning are duly allocated to this. In both countries, the pressure to deliver and to be seen to deliver quickly on electoral promises has sometimes led to a short-circuiting of the planning, research and development process, often with unintended consequences. For example, in South Africa, the rapid construction of large low income housing developments on the outskirts of urban areas may well compromise the municipality’s ability to deliver services in a sustainable manner over the long term, possibly with negative political consequences in future. More thorough and intensive planning could obviate this.

- Mechanisms need to be put in place to increase the revenue raising ability of municipalities and reduce their reliance on central government transfers, and on donor funding. At the same time, clear and transparent criteria for funding from central government need to be put in place, to ensure stability and facilitate strategic planning.

- There are difficulties in aligning the planning and actions of all players at local level, and a strong framework is needed to structure intergovernmental relations and promote cooperative governance. The framework should relate to all municipalities, always with the principle of subsidiary. Doubling of functions should be avoided, or being limited in time.

- Associated with this, there is a need to clarify the roles and responsibilities, or powers and functions, of all parties, and to make sure that local government is provided with the necessary resources to develop the capacity needed to perform its mandate.

- Strategic planning needs to be tied to the budget, and to the performance of senior municipal personnel (through Performance Management Systems).

- To a certain extent it is necessary to ‘sell’ the concept of strategic planning, and the central significance of municipal planning, particularly to national government. Besides the framework, a possibility could be strategic inter regional dialogues that also involve provincial and central governments to listen to “ideas from the ground”

- In both countries, spatial planning needs to improve in order to achieve the goals of strategic plans.

- Planning capacity varies across both countries, but small, rural municipalities usually require specific attention and national interventions, particularly given their limited revenue raising potential, high poverty levels, and high levels of service backlogs. Transfers of funds, and capacity building efforts, to weak municipalities from central government are likely to be necessary over the long term.
• Developmental local government and decentralization means that in planning the citizen is seen as the focus or target. This requires a participatory approach, and “ownership” of the planning process by local officials, politicians and residents. Associated with enhanced public participation is increased accountability of municipal officials to local residents. This can be addressed through the use of techniques such as the citizen report card, or quality of life survey.

• It is clear that strategic planning in a long term process, beyond the current electoral mandate. Strategic plans need to be short and clear, and easily communicated. Local government in both countries recognizes the need to increase ownership of their strategic planning process, and thus to emphasize in-house planning as far as possible, reducing the reliance on external consultants.

• Developmental local government requires greater levels of capacity and resources at local level than has been the case before. This includes needing to develop effective financial management systems and budgeting processes.

• The institutional arrangements associated with strategic planning for local development need careful attention. In many municipalities in Mozambique there is no separate planning department, and planning is done on an ad hoc basis. In South African municipalities, there should be an Integrated Development Planning manager, in addition to a municipal planning department. However, the seniority and experience of the IDP manager is not always in line with the importance that should be granted to strategic planning.

• In all municipalities, local leadership and political support at all levels are critical to achieving effective strategic planning. Leaders and senior personal could be rewarded and have access to specific capacity building on strategies

• Strategic planning involves making strategic choices, recognizing that it is impossible for even the most capacitated municipality to accomplish all its goals alone. Partnerships and strategic choices therefore need to be made, in line with the overall strategic plan and vision of the municipality.

• It is important that international partnerships link and support existing strategies to be implemented, and are conducted in conjunction with municipal representatives, and that mechanisms are put in place for sharing experiences (both positive and negative) across municipalities within, and between, each country.

• For strategic planning to result in greater local development, it is important that it is accompanied by implementation plans which deliver improved service delivery.

In both Mozambique and South Africa, municipal capacity and power with respect to central and regional governments varies greatly. Many municipalities have relatively low levels of capacity and are unable to engage effectively with other spheres of government or organs of state (and in Mozambique’s case, with donors), as equal partners in the overall strategic planning process. It is extremely important that municipalities share from their experiences, and develop a platform for constructive engagement with each other, and with other spheres of government. The call for capacity building inside municipalities should be a priority for international assistance and for the ministries of local governments. It is in this regard that the respective local government associations can play a major role, putting forward issues of common interest and concern, and
combining the political power of local governments to constitute a formidable force to negotiate with national government.

The following section of this report highlights the need for strategic planning at local level, something that is often not recognized sufficiently in terms of the allocation of resources (staff, funds and time), the institutional structure of the municipality or in relations between different spheres of government. While this is clearly true in several regards in both countries, it is an issue that was highlighted in the workshop in Mozambique and in interviews. This is followed by a more detailed examination of the local government context in both countries, and an overview of the legal framework for planning in urban areas in both South Africa and Mozambique.

3. The need for strategic planning at local level

Anticipating growth needs for a municipality is crucial in the Sub Saharan region. For example, planners in municipalities must consider how future growth will affect for example traffic within a municipality and plan to avoid potential problem areas before it is too late. They must take into account the geography of an area, current land-use, the needs of those residing within that area whether it is residential, industrial, commercial etc, and many other elements in order to properly plan for anticipated growth. They must balance short term needs for delivery (e.g. of housing or services) against long term issues of sustainability.

With decentralization and increasing levels of urbanization, governments now understand their role and the role of planning “in a different way, and target their action at what is practical, equitable and efficient, and not be tied to what has been traditional in planning and land use control. Further, they have to fulfill commitments against their voters, and to increase performance and local responses to reduce poverty structurally, including the services they are responsible for (in case, health education), and overall mobilizing local human and financial resources to urban and economic development. This suggests a different form of planning which would be more participatory in order to focus and guide broader private sector and community activity, as opposed to attempting to control and block this”\(^4\).

CDS is a form of strategic planning which is important in the context of increasing urbanization as it helps to increase capacity and services, by using these more efficiently and effectively. By adopting a CDS it is possible to anticipate demand, avoid and mitigate negative consequences of urbanization such as informal settlements, and develop new areas for urban growth. The CDS is a tool for governance, monitoring and evaluation. Implementation of a CDS increases bargaining capacity with all levels and stakeholders. For effective strategic planning like that required by a CDS, leadership, particularly at local level, must be very strong.

The very “young” local governments in Mozambique face the challenge to provide tangible responses to the population and proof and increase efficiency of the public system they are part of. Leadership is a crucial starting point, but specific skills for strategic planning need to be expanded in the four steps for CDS\(^5\) :

(a) Planning – identification of issues, objectives and strategies.

\(^4\) Ibid
\(^5\) As proposed by Cities Alliance
(b) Resource allocation – human and financial resources are committed to the projects.
(c) Implementation – the actual execution of the projects which address the objectives.
(d) Monitoring and review – during the planning stage, performance indicators are formulated to monitor implementation and its impact. The outcome of monitoring sometimes results in the adjustment of the plan and implementation programme.

4. Conclusion

In summary, it can be said that the need for planning is very high, in both countries. Faced with huge political pressure to deliver, increased levels of responsibility, generally weak capacity and lack of revenue raising ability, often confused roles and responsibilities with other spheres of government, municipalities need, more than ever strategic planning, allocate the necessary resources to this, and elevate the role of the planning department to allow them to take well-informed decisions about their future development.

In municipalities of Mozambique, mainly smaller ones, the start to improve planning is nearly from scratch, and to help to improve public responses to a more and more urban population.

In South Africa, a crucial step is done, as the country counts on the IDP being a legal requirement. However, strategic thinking is necessary as large problems such as poverty, security, sustainable growth need more specific and strategic answer and require real partnership agreements between local administration, communities and private sector. Especially smaller and rural municipalities are in risk to fall apart in the overall system and need to build a vision and position that allows them more proactive and sustainable development.

This report has considered the nature of local government, and the importance of strategic planning in both Mozambique and South Africa. In comparing the local government context of the two countries, particularly with a view to enhancing strategic planning at local level, what is remarkable is the extent of similarity between them.

As indicated earlier, it is extremely important that municipalities share from their experiences, and develop a platform for constructive engagement with each other, and with other spheres of government. The call for capacity building inside municipalities should be a priority for international assistance and for the ministries of local governments. It is in this regard that the respective local government associations can play a major role, putting forward issues of common interest and concern, and combining the political power of local governments to constitute a formidable force to negotiate with national government.

Key issues arising for strategic planning for local development in South Africa

- Alignment of strategies, policies and implementation

  Although the necessity for a consideration of the spatial outcomes of policies and programmes, and for spatial alignment of these activities is increasingly put forward, and policies and legislation set in place to facilitate this, such alignment proves difficult to accomplish, in reality. There is a danger that the proliferation of policies and strategies with different spatial concepts and units of analysis could complicate the activities of role players at local level. Caution needs to be exercised to ensure that the implications of all policies
for the local level are researched and that the framework for intergovernmental cooperation and integration is set in place, and followed. The Intergovernmental Relations Act aims to improve coordination and integration between all organs of state. However, in some areas this needs to be implemented in a more meaningful manner.

○ **Functional regions**

It is important that strategic planning take account of functional regions which are likely to operate at different levels from municipal boundaries. The way in which legislation is constructed and adapted tends to encourage a more narrow focus on particular geographic areas, which is reinforced by a programme of decentralization. For successful strategic planning, it is important to consider cross-boundary linkages which are often significant. It is, however, necessary to have the appropriate data to inform this, for example, migration data, clearer indications of what underpins the economy in different towns (such as commercial and retail activity, the productive vs. consumptive economy, role of remittances and grants in the economy), and the relative strengths and weaknesses of the spheres of governance within regional spaces.

○ **Adopting an asymmetrical approach**

The current legislation and policy framework tends to treat all municipalities as similar in many respects. However, there are significant variations in their capacities, the issues they face, geographic extent and economic potential. Given the social, economic, demographic and institutional variations across space, policies need to address this asymmetry, rather than adopting a generic, one-municipality-fits-all approach.

While there have been changes in the spatial configuration in South Africa, and commendable levels of service delivery over the last 15 years, there are still vast numbers living in remote areas with high backlogs, poor GVA, high unemployment etc. Consideration needs to be given to what institutional and administrative mechanisms need to be put in place to address the needs of those communities. It is important that spatial asymmetries are acknowledged and that policies and programmes are developed which address local and regional specificities, rather than a more blanket approach.

**Key issues arising for strategic planning for local development in Mozambique**

- **Recognition of the importance of urban development**

The history of Mozambique has contributed to an emphasis on the development of rural areas, often with the result that urban development, strategic planning for sustainable development in urban areas, and municipal government is not taken as seriously as it should be, given the importance of urban areas to the overall economic and political structure of the country. Residents reportedly do not view municipality or local government as government or part of a decentralized system of governance.

- **Alignment of planning and implementation**

Although a municipality might develop plans and implement these, there is no effective mechanism whereby the activities of other actors are coordinated with these. For example, land might be provided and developed by the municipality, but no roads or electricity provided to the area as the priority areas of the different authorities might not coincide.
Thus lack of intergovernmental coordination and alignment discourages orderly and sustainable development of neighbourhoods. Technical staff is not empowered to take the initiative to overcome this; it needs strong political support at a high level.

As indicated in the workshop, there is a need to find a mechanism whereby different spheres of government operate in the same territory. In addition, the activities of donors need to be coordinated, and aligned with strategic plans for the area.

Municipal district coordination has been improved in Montepuez where weekly meetings are attended by the Mayor and the District Administrator along with key technical staff from both administrations to coordinate activities and share information.

- **Role of politicians**

  Political expediency seems to override strategic planning in a number of instances, and causes tension between technical staff and politicians, and between the different spheres of government. Thus while the legislative and policy framework for effective strategic planning of urban areas might well be in place, politicians are seen to ignore this when it suits them, with the result that political convenience can override strategic planning for logical urban development. In some cases, such as allocation of land, politicians are seen to do this selectively, using land as a tool of power, and not in line with strategic urban planning.

  The independence of municipalities and their visibility to local residents can be seen as a threat to the profile of central government politicians, which could lead to a dilution of attention to local government.

  The role of the state representative seems to be very controversial, as they are seen as having large powers, and often acting in conflict with those of the mayor.

- **Capacity issues**

  Capacity at local level is very limited in terms of finances, revenue raising ability, skills and qualification of personnel etc. Often planning is contracted to consultants, but cannot be implemented due to lack of resources and appropriate skills. Transfer of funds from central government is not in line with the significant contribution municipalities make to central government wealth, or to their responsibilities for service delivery and development.

  It is important to note, however, that municipal capacity has increased significantly in recent years. For example, one municipality reported that several years ago it had only 2 computers and 3 staff with degrees. It now has 200 staff with degrees, and needs to implement ways of retaining qualified staff.

  There have been some successes in revenue enhancement and financial management. Beira has instituted a simplified financial management system, and improved collection of revenue from markets, as has Montepuez. Maputo City has increased its own revenues by 55% in 2 years. At least 20 municipalities have participated in training programs supported by the National Audit Institutions (TA and IGF) and development partners on financial management and reporting, including preparation of municipal annual financial statements.
• Community participation

Although there is no legislated framework for community participation, several municipalities have developed effective methods of involving their residents in planning and implementation. Dondo, Cuamba and Montepuez have had some positive experiences of participatory planning. There are also some initiatives under way in Maputo, Nacala, Gurue, Chimoio and Vilankulos to improve transparency and combat corruption. In Montepuez and Dondo, community radio has been used for civic education and to publicize municipal activities. Maputo City is currently undertaking its third annual Citizen Report Card conducted by independent researchers and has launched its participatory budgeting program.
Annex 1: the local government context in South Africa and Mozambique

This section provides a brief overview of the local government context in South Africa and Mozambique. Following South Africa’s democratic elections in 1994, the Constitution provided for three spheres of government, each with specified powers and functions – national, provincial (9 provinces) and local (283 municipalities). Progress towards developmental local government from the local government White Paper has occurred in three phases, establishment (initially envisaged to be complete by 2003), consolidation (expected to be complete for most municipalities by 2003) and sustainability (expected to be complete for most municipalities by 2010). This progress has not occurred evenly across the country, with some municipalities making more rapid progress towards developmental local government than others. A recent assessment by the Department of Local Government and Traditional Affairs in the province of KwaZulu Natal has showed that, although by now most municipalities in the province should be in the final stages of sustainability; this is far from the case. Considering the sustainability phase, only 9% of municipalities have an IDP credibility over 75%, only 21% are able to spend all their capital expenditure, only 46% spend all their capital expenditure in relation to their IDP, only 16% have enough revenue to cover liabilities and only 12% have adapted revenue to cover operating expenditure. Alarmingly, a sizeable portion of municipalities seem still to be in the establishment phase.

At local level, the boundaries of municipalities were redemarcated in 2000, resulting, for the first time, in wall-to-wall municipalities across the country. Three types of municipalities now exist, metropolitan municipalities such as Johannesburg, Durban and Cape Town, and district municipalities consisting of several independent local municipalities, each with different powers and functions. A complex legislative and policy framework has been put in place to support local government in its new developmental obligations, accompanied by sweeping institutional changes designed to address the inequalities associated with apartheid space. In some cases, however, legislation and policy, or their implementation, have had conflicting spatial outcomes. For example, the Housing subsidy’s promotion of stand-alone houses and the need for cheaper land, invariably located on the outskirts of cities, has encouraged urban sprawl. This is in contrast to the goals of efficient and sustainable development planning, which promotes compact and sustainable settlements, close to economic opportunities.

Municipalities in South Africa now cover far larger areas than in the past, or is the case in many other countries, and include areas that were previously unserviced, or underserviced. Thus the challenges facing planners in South African municipalities today differ greatly from those in the past, and from those in many other countries. Municipal planning now incorporates both “regional” and “town” planning in one geographic area, which was not the case previously. This is a direct result of the geographic extent of municipalities and the inclusion of rural, urban and peri-urban areas into a single administrative entity. Thus it involves not only the development control aspects of planning usually associated with town planning (zoning, town planning schemes etc), but also the broader perspective, incorporating long term strategic planning for the municipality, associated

6 Department of Local Government and Traditional Affairs, KwaZulu Natal, 20072006/2007 Consolidated Annual Municipal Performance Report
with regional planning. Municipal planning departments therefore need to have the capacity to deal with both the more localized, development control aspects of planning.

In South Africa, as in many other countries, development promotion and revenue generation are both fundamentally linked to municipal planning. Releasing land for development, ensuring correct zoning, and ensuring municipal land uses are correctly linked to rating and billing systems, is critical to generating income and to the long-term sustainability of the municipality. The success of all of these hinges around the presence of a strong and well resourced municipal planning department. Thus effective municipal planning results in increased revenue for the municipality, which enables it to fulfill its mandate more effectively.

Municipalities in Mozambique were established by law in 1997 and local government elections took place in 1998 for the first time. Since 2003, significant improvements have been made, but municipalities continue to face several major challenges. These include high levels of poverty, with significant differences in poverty and growth within municipal boundaries, and between urban, rural and peri-urban areas. Municipalities, central government and the Association of Municipalities (ANAMM) need to support municipalities to improve living conditions, stimulate growth and cement meaningful democracy in Mozambique. The country is in the process of undergoing an asymmetrical process of decentralization, known as gradualism, whereby areas are being given municipal status on a case by case basis. Municipal mandates are increasing from providers of local services such as parks, roads, public safety, public lighting, municipal policing, and solid waste, amongst others, to more complex social services including aspects of education and health. The increase in demand for services is not, however, being accompanied by an expansion of employment, formal economic activity and revenue.

Municipalities in Mozambique can play a significant role in addressing challenges related to poverty. They have the key responsibility in regularization of land tenure, improvement in tenure security and formalization of largely corrupt land markets, which are fundamental to channeling investment and savings to establish assets among the poor. Urban and peri-urban agriculture initiatives for food security and job creation can be supported by effective urban planning and land use rights, as well as targeted support services. Municipalities can contribute to a more conducive environment for investment and employment creation through a range of instruments including investments in critical physical infrastructure (e.g. urban roads), reduction in red tape (e.g. business licenses) and the provision of public services through public private partnerships. Municipalities are also important for consolidating democracy and empowering the poor.

Like South Africa, the new municipalities created in 1998 inherited an extremely weak organizational structure and infrastructure, a very limited municipal tax base and generally no culture of tax payment. There continues to be a service delivery backlog and increasing demand for services, despite many improvements in delivery.

Again as is the case in South Africa, “urban” and “municipal” are not synonymous in Mozambique, and municipal boundaries often include a mix of dense urban areas, peri-urban areas and rural space. This places additional challenges on municipal management teams as priority services and models of service delivery will vary significantly across these various spaces.

However, despite their new status, limited financial resources and weak technical and professional capacity, municipalities have been able to deliver some services, spend a fair portion of their budgets on investments, and a municipal tax culture is slowly emerging.
For example, the municipality of Maputo has an area of approximately 300 sq. km and a population of 1.3 million. It is one of the eight pilot municipalities under the Municipal Development Program (MDP). It is engaged in a strategy of short, medium and long term planning.

Strategic planning is seen by Maputo as establishing a target or destination, and ways to reach that, i.e. resolving future problems based on information, envisaging solutions for anticipated problems and allows for an integrated and sustainable approach to problem solving, rather than one that is ad hoc. Resources are utilized against the vision and output. The citizen is seen as the end user.

Three stages are followed in this strategic planning process – diagnostic, vision formulation and operational planning, which needs to include partnerships with the private sector. Maputo has conducted and organizational analysis of municipality and is now investigating ways of increasing the involvement of the private sector (in the third stage). To increase accountability and monitor performance, Maputo has implemented surveys on the quality of services provided, in the form of the citizens’ report card. A forum for consultation by the mayor with city dwellers has been developed. Citizens have identified 32 projects, with a budget. In terms of training and evaluation, the assessment of staff members is underway.

Supported by an initial World Bank Board loan of $30 million, the Maputo Municipal Development Program, ProMaputo aims to strengthen the capacity of the City Council to develop, manage and maintain quality service delivery to its citizens. ProMaputo will be implemented in a way that guarantees ownership, commitment and sustainability. The implementation capacity will be within the structure of the municipality itself under the direct leadership of the Mayor of Maputo and his senior management team. Program coordination, monitoring, financial and procurement functions will be undertaken by the City Council. An ambitious program of institutional restructuring is foreseen under the first component. The program will strengthen the City Council’s institutional and financial capacity to support achievement of long term service delivery goals. It is composed of three components. The first, Institutional Development and Municipal Governance, aims at rationalizing the municipality’s internal processes for service delivery; improving the performance of the municipality’s functional units; and improving governance. The second, Municipal Finance, seeks to improve the municipal public finance systems and enhance the budget planning, execution, and control functions. The third component, Planning, infrastructure rehabilitation and service delivery improvements, will support urban planning and target investments to improve and rehabilitate critical urban services identified through a participatory process with residents, including roads and drainage, solid waste management, street lighting, and the construction of a cemetery.

During the Maputo workshop, several municipalities reported on key issues associated with strategic planning in their areas. These were Maputo, Inhambane, Xai Xai, Motola, Chimoio and Nampula. The key issues arising from these report backs are highlighted here:

- Most municipalities indicate sanitation, roads and management of urban soil as priorities
- Most municipalities indicated lack of ability to raise their own revenue as a serious challenge, as well as the need to implement participatory governance and transparency more effectively.
- Most municipalities have not developed a City Development strategy or alternative strategic plan, although all recognize the importance of doing so as soon as possible. Many
municipalities reported that they plan on an ad hoc basis. Nampula is an exception in that it has developed Nampula 2015 in line with the province’s 2020 agenda, and has developed a vision for this.

- Most municipalities do not have strategic planning unit or department, and planning seems to be relatively marginalized without a high profile within the municipality. However, several indicated the need to establish a distinct planning unit, along with a research office to support effective strategic planning. ANAM is building in-house capacity for strategic planning to be able to provide assistance to municipalities. It is embarking on researching best practice at local level, and on twining local municipalities with one another as a learning process.

- Most municipalities indicated that they need increased capacity building, and a reorientation of existing capacity in line with a strategic plan.

- Most municipalities indicated frustration at the role of the state representative. They maintain that the terms of reference for this person need to be clearly defined and communicated to all relevant parties, and ways to improve cooperative governance addressed. This is a potential role for ANAM.
Developmental local government is “Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.”

Municipalities are key to achieving developmental local government. In this regard, South Africa’s Constitution states that municipalities must strive to achieve their objectives of:

(a) Providing democratic and accountable government for local communities.
(b) Ensuring the provision of services to communities in a sustainable manner.
(c) Promoting social and economic development.
(d) Promoting a safe and healthy environment.
(e) Encouraging the involvement of communities and community organizations in the matters of local government, and
(f) Promote rights associated with, for example, the environment, water and health care.

The Municipal Systems Act states that “…the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state.”

The four key developmental outcomes include the provision of household infrastructure and services and the creation of livable, integrated urban and rural areas, local economic development, and community empowerment and redistribution. Toward the provision of household infrastructure and services, municipalities need to ensure good basic services, the extension of basic services to all, and the provision of affordable and sustainable levels of service. To achieve this councilors and officials need to assess the organization’s ability to deliver services and determine its shortfalls i.e. put strategies into place to engage in comprehensive planning processes, funding identification and the transformation of their service delivery mechanisms etc. With the introduction of developmental local government, the importance of an organization following a strategic and integrated approach to service delivery has become imperative.

To play an effective developmental role, and to improve performance with respect to service delivery, municipalities will need:

(a) Strategic capacity to assess, plan and develop innovative programmes to meet local needs and to make a significant contribution to social and economic development.
(b) Integrated capacity to co-ordinate and integrate outputs from inside and outside the administration to ensure developmental outcomes.
(c) A community orientation to inform user-friendly, relevant and quality services to local communities.

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7 White paper on Local Government
8 Constitution, Sections 152 (1) and 152 (2)
9 Section 24 (1)
10 White paper on Local Government
11 See the White Paper on Local Government Pages 102-103.
Stemming from the overall goals of the Constitution and developmental local government, several key national policies relating to strategic spatial development at local level have been developed. The National Spatial Development Perspective (NSDP) provides a spatial framework for, and strategic approach to, development across the country while the Provincial Growth and Development Strategy (PGDS) and Integrated Development Plans (IDP) provide more rigorous assessments of potential by combining this with local knowledge and research.

The NSDP is a strategic planning tool for all spheres of government, to be used as an instrument for policy co-ordination with emphasis on the spatial implications of infrastructure and development policy and programmes. It contains a summary of development potential per district/metro that would allow various government departments and agencies to engage with different districts and metros through having a better understanding of potential and dynamics in each area. The NSDP therefore needs to be considered by all organs of state when doing their planning and budgeting to ensure greater spatial coordination and integration in infrastructure investment and development spending. It contributes to the principle of co-operative governance.

The Municipal Systems Act\textsuperscript{12} shifts the focus to developmental government including how to encourage meaningful community participation. It emphasizes integrated development planning, service delivery and performance management. Strategic planning at local level in South Africa today is closely related to the integrated development planning (IDP) process.

Municipalities’ strategic and integrated planning involves the production of an array of plans such as an Integrated Development Plan (IDP), Spatial Development Framework (SDF), Land Use Management System (LUMS), sector plans such as water services development plans, solid waste management plan, environmental management etc. “These are all central to the functioning of the municipality, and municipal planning is fundamental to each of them. Municipal planning is therefore fundamental to the growth and development of the municipality. Thus municipal planning capacity needs to be established, and retained internally (not outsourced to consultants etc.). It is extremely important that the municipality develops its own institutional knowledge to ensure the integration of municipal planning into all applicable operations of the municipality; municipal planning should be embedded in the fabric of the municipality, just as other aspects such as legal services and human resources are\textsuperscript{13}.

IDPs are a statutory requirement of the Municipal Systems Act and the key tool of developmental local government. The planning process involves working with residents to establish an overall vision for the entire municipality, and planning strategically to ensure equitable service delivery across the municipality, promote economic development, provide infrastructure and ensure the long term sustainability of the municipality. The IDP serves as the main tool for local government to consult with their residents, and to identify developmental priorities. The IDP process is intended to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner. IDPs are also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGOs and the private sector within the municipal area.

The IDP is made up of the following core components:

(a) The analysis

\textsuperscript{12} Act No 32 of 2000

\textsuperscript{13} Ovens and Associates, 2006 Physical Planning Strategy for Nkangala district municipality
(i) An assessment of the existing level of development, which includes identification of communities with no access to basic services.

(b) Development strategies
   (i) The municipality’s vision (including internal transformation needs).
   (ii) The council’s development priorities and objectives.
   (iii) The council’s development strategies.

(c) Projects

(d) Integration
   (i) A spatial development framework.
   (ii) Disaster management plan.
   (iii) Integrated financial plan (both capital and operational budget).
   (iv) Other integrated programmes.
   (v) Key Performance Indicators and performance targets.

(e) Approval.

Thus integrated development planning is about the municipality identifying its priority issues/problems, which determine its vision, objectives and strategies, followed by the identification of projects to address the issues raised. A critical aspect of the IDP is to link planning to the municipal budget (i.e. allocation of internal or external funding to the identified projects) because this will ensure that implementation of projects and hence development is directed by the IDP.

Integrated Development Planning is a management tool, and thus holds a very high status within a municipality. Its management should not be delegated to the municipal Planning Department or to consultants, and its preparation should be managed by the Executive Committee or Executive Mayor, who may assign this responsibility to the municipal manager. Everything that all departments do, including treasury and human resources, needs to be guided by the IDP as the municipality’s management tool. As a result all departments have to get directly involved in the integrated development planning process.

The IDP process enables the municipality to:

   (a) Obtain access to development resources and outside investment.
   (b) Provide clear and accountable leadership and development direction.
   (c) Develop a cooperative relationship with its stakeholders and communities.
   (d) Monitor the performance of officials.
   (e) Provide officials with a mechanism to communicate with the councilors.
   (f) Enable officials to contribute to the municipality’s vision.
   (g) Enable officials to be part of the decision-making process.

In addition to the more spatially strategic issues outlined in the legislation above, most of which stems from the Municipal Systems Act, municipal planning needs to be conducted within the parameters set by the following:

- Municipal Finance Management Act. This ensures the effective utilization of public finances, a participatory budget process and a more strategic approach to budgeting and financial management. It requires municipalities to produce a Service Delivery and Budget Implementation Plan, and facilitates sound financial governance and improved
accountability, clarifying the respective roles of officials and politicians, and reducing the opportunities for corruption.

- Intergovernmental Relations Act. This develops mechanisms and structures for cooperative governance.

- Disaster Management Act. This requires municipalities to set in place Disaster Management plans, which ensure effective management and readiness for disasters, and prescribe the role of citizens in this plan.
Annex 3: Overview of the legal framework for planning in urban areas in Mozambique

Mozambique’s current social and economic transformation is centered on the implementation of a decentralization policy, which is expected to stimulate democracy, political equity and participation at the local level, through autonomous and democratically elected local governments. This should enhance accountability, transparency and good governance, increase management efficiency, efficiency in financial performance through increased revenue generation and rational expenditure decisions, and provide a better environment for public-private partnership (PPPs)\textsuperscript{14}. Popular participation is a key principle underlying the new municipal system.

The Local Government Reform Programme (PROL), established in 1992, aimed at reformulating the existing local government system, endowing local authorities with their own legal status distinct from that of the state, with administrative, financial and patrimonial autonomy. In 1994, the Parliament passed the Law n.3/94, on the institutional framework for Municipal Districts, allowing for the election of rural and urban municipalities. In 1997, the Mozambican Parliament approved Local Authorities Legislation, comprising of the legal and institutional framework for Local Authorities (Law n.2/97, and Local Finances Law n.11/97). According to Law n. 2/97, local authorities are established as population and territorial units, endowed with their representative (the Municipal Assembly) and executive bodies (Municipal Council) with administrative, financial and patrimonial autonomy\textsuperscript{15}.

The Law of local finance gives powers to local authorities to raise their own revenues and to conduct their finances in an accountable and transparent manner. Local authorities must prepare a financial plan in accordance with Municipal Plan (a five-year plan) in respect of all their powers, duties and objectives. Municipal authorities may impose taxes and income, property, economic activities in areas of industry, trade and provisions of services. Their own revenues also include fees for advertisements, constructions, cemeteries, some permits and various licenses for economic and professional activities. Central Government also transfers funds to local authorities via the Municipal Compensation Fund, and may transfer funds for local investment in order to complement and reinforce the local investment capacity\textsuperscript{16}.

The institutional framework for the establishment of new municipalities is provided for in Law n.3/94 of 13 September. The new municipal government system is based on the following constitutional principles\textsuperscript{17}:

- The principle of autonomy, which include administrative, financial and patrimonial autonomy;
- The principle of multi-party democracy and popular participation;
- The principle of representativeness or representative democracy, which allowed citizens to elect or to be elected their municipal Councillors and mayors and;
- Respect for, and collaboration with, traditional authorities or community leaders.

\textsuperscript{14} Cuereneia, A, 2001
\textsuperscript{15} Ibíd.
\textsuperscript{16} Ibíd.
\textsuperscript{17} Ibíd.
The principle of gradualism was based on the need for building “administrative, financial and patrimonial autonomy, and the rehabilitation of productive activities in the urban and rural areas so that they can form the objective and subjective bases for collecting the municipal functions. In other words, the principle of gradualism is adopted for the purposes of building capacity before any locality is transformed into a municipality”\(^{18}\).

Each municipality has the following bodies or office holders:

- The Municipal Assembly composed by directly elected members
- The President of the Municipal Council or the Mayor, who is the singular Municipal Executive Organ also elected directly by the general public
- The Municipal Council - the collegial Executive Organ composed of the Mayor and Town Councillors nominated by him, at least 50% of the Town Councillors must be drawn from the Municipal Assembly. The number of Town Councillors varies according to number of voters.
- Town Councillors supervise the implementation of the Municipal Assembly and the Municipal Council decisions by technical departments. They advise the Mayor about procedures and regulations for the implementation of Municipal Plans and budget.
- Some municipalities have been created from scratch, as in South Africa, while others build on existing structures. Some difficulties have arisen between the elected bodies (Municipal Assemblies and the Mayor) and their respective Municipal Councils\(^{19}\).

The Municipal Package of Laws, “Pacote Autarquico” was enacted in 1997 and reformulated in 2007 and 2008, and provides the overall legal framework for municipalities in Mozambique. In addition, the draft Decentralization Policy and Decentralization Strategy are expected to be approved in 2009. These documents lay out the broader approach of the Government to Decentralization, and aim to establish the roles and functions of each tier of government\(^{20}\).

A core feature of the local government framework in Mozambique is the concept of gradualism. This is the process whereby new municipalities are established, and the local government system extended. This represents a significant difference from the situation found in South Africa, where all areas now fall under a municipality. The Policy Framework for Decentralization in Mozambique does not clearly define gradualism, nor is the technical basis and standards for creating new municipalities, or changing existing boundaries, clearly defined. “The benefits of municipal reform would be broadened and deepened by undertaking a systematic expansion of decentralized governance over a defined period (e.g. 10-15 years) with clear targets for expanding its geographical scope to include all rural towns and the rural districts which surround them, in order to achieve a minimum viable size. Clearer criteria for towns and povoações to become municipalities should be defined and disseminated, and a transparent process of evaluation of “candidates” for municipalization should be established\(^{21}\).”

The newly promulgated Law 01/08 gives municipalities full control over taxes on property transactions (SISA) and vehicles, both of which were previously shared with the central

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\(^{18}\) Ibíd.
\(^{19}\) Cuereña, 2001
\(^{20}\) This section relies heavily on the report: Municipal Development in Mozambique: Lessons from the first decade
\(^{21}\) Municipal Development in Mozambique: Lessons from the first decade
government. This could prove to be a valuable source of local revenue if central government transfers the necessary records and resources to administer these taxes.

Most municipalities are now clearly responsible for local traffic, vehicle licensing, drainage, markets, cemeteries, building licensing, parks and municipal police. However, there is a lack of clarity around responsibilities for management of urban space and land, environmental conservation, agriculture, youth, sport and culture, and infrastructure related to public health, water and sanitation services.

Several further functions are likely to be transferred to municipalities, under Decree 33/06. These include health and education although the basis of this transfer is not yet clear. There is a need to develop clear and practical guidelines for involving the key cross-cutting ministries such as Finance (MF), Planning (MPD), State Administration (MAE) and Public Function (MFP); relevant sector ministries (mainly health and education); Local Organs of State (OLEs) (including both provincial governments and in some cases district administrations) and the municipalities themselves to ensure the success of the process of transfer of competencies.

As in South Africa, for a number government functions there is confusion around roles and responsibilities, or powers and functions of different spheres of government. Local municipalities often find themselves having to fulfill unfunded mandates. Steps need to be taken to clarify roles and responsibilities, and guidelines developed for the transfer of functions to ensure that local government has the necessary capacity to perform the function. All spheres of government need to be involved in developing an institutional framework for the transfer of functions with clear guidelines, time frames, and resources allocated to this. At the moment there does not seem to be clearly developed financing mechanisms for the newly transferred responsibilities to municipalities in the social sector under Decree 33/06. To ensure that the transfer of additional responsibilities is successful, central government needs to provide the appropriate financial, material and human resources.

Municipal capacity is often very weak, and needs to be strengthened, particularly with regard to strategic planning and service delivery. In this regard, the establishment of a Municipal Planning Unit in municipalities could be beneficial. Creating or strengthening Municipal Planning Units to ensure appropriate integration of strategic, sector, spatial and operational planning is essential. Such units could also be responsible for appropriate training of Councilors and establishment of a professional career and training system for municipal personnel.

Effective and accountable developmental local government requires meaningful community participation and involvement. This needs to include civil society more effectively for example, through increasing communication, formal report backs to residents such as the citizens' report card adopted by Maputo. Transparency in procurement issues would also increase accountability, as would increase territorial representation in the Municipal Assemblies.

For a variety of reasons, including the fact that municipalities are relatively new, and that there has been a concentration on rural development, the role of municipalities is not well understood, and municipalities are underrepresented within National Policy Frameworks. Strategic planning for urban development is relatively recent and not always regarded as a priority. There is a need to align the activities of the three spheres of government, as in South Africa and to clarify the roles of all spheres of government and other public institutions.
It has been recommended that preparation and support for municipal service delivery should be fully incorporated into the reform strategies and plans being formulated by each ministry and linked to fiscal policies. Technical assistance from the public sector reform unit (i.e. UTRESP) could contribute significantly to the planning and implementation of the transfer of competencies. Capacity building and fiscal reforms need to occur, particularly at local level, to strengthen municipalities to succeed in the transfer of competencies.

Municipalities have been required to develop three binding plans – a master plan, spatial plan and partial development plan. An urbanization plan will become fundamental to the preparation and investment process, owned by local government and not an external agency. There is no overarching local development plan in Mozambique which coordinates and integrates strategic planning, implementation and service delivery, such as the Integrated Development Plan legislated in South Africa. Increased participatory governance, which draws the involvement of multiple stakeholders including civil society, needs to be deepened. This would also allow municipalities to have a stronger voice at national level. A policy framework for participation and specific practical guidelines to promote this are needed. This needs to be effectively communicated to all stakeholders. For example, eThekwini municipality, (Durban), South Africa experienced a shift to strategic planning and a focus on citizens in 2001. This involved different levels of strategic planning, a long term development plan as well as the shorter term Integrated Development Plan (IDP). A key aspect of this is that it involves everyone, not just the municipality, so is seen as belonging to all residents. The participation process involves an external stakeholders workshop (the “Big Mama”), geographically based participation, and sectorally based participation (CBOs, NGOs, tertiary institutions, parastatals, business, labour, government departments, amakhosi). In addition, it is important to direct funding in accordance with the plan, and to ensure that the performance of senior officials is tied to targets identified in strategic plans like the IDP.

Effective public participation increases accountability as does transparency in procurement processes. The role of Municipal Assemblies’ representatives (legislative power) in promoting or debating issues is not clear, differs across municipalities, and seems to be controversial.

In terms of the new territorial planning law, spatial planning is a key responsibility of municipalities. It channels investments and increases the security of tenure and the Right of Use and Access to Land (DUAT). Three types of planning documents are now legally required for this, at different scales and levels of complexity: master or structure plans, partial plans and detailed plans. “The law envisages urban planning as a process of preparation and implementation that requires active leadership and engagement by the municipalities and citizens themselves rather than repeating some past failures where plans were developed by outside agencies and shelved for lack of ownership or local consultation”.

Effective spatial planning requires maps and cadastre systems that are underdeveloped in many municipalities. They are needed for issues around titling, municipal land tax, consultation and strategic planning. Like South Africa, it has been difficult to integrate spatial with sector and operational planning and budgeting. It is important that spatial planning is regarded seriously, and provide with adequate resources. Similarly, there has been insufficient intergovernmental coordination, particularly between district and municipal authorities. In South Africa, the Intergovernmental Relations Act has been promulgated to try to address this, and all spheres of government are required to take part in the integrated development planning process of...
municipalities. However, some sector departments are notoriously poor at such cooperation, and problems in actually integrating planning and implementation continue in a number of areas.

As indicated earlier, municipalities cover large geographic areas in Mozambique, and include both urban and more rural areas. They play a significant role in regional economic development. For this reason, it is important that city development strategies consider the broader regional context of the municipality.

Capacity building programmes are needed to support municipalities to develop their own plans. This needs to include the basic instruments of effective spatial planning, with guidelines and manuals on how to produce local plans. These need to be able to be communicated effectively to local citizens and potential investors.

The review of South Africa’s integrated development planning process highlighted the need for planning to be accorded a relatively high status within the municipality, preferably reporting directly to the municipal manager, or mayor. Strategic Planning teams, or the urban planning department in the case of smaller municipalities, need to coordinate the development of the city-wide strategic plan. Like the integrated development plan, this needs to integrate spatial, sector and operational planning and budgeting. Reliable data and GIS maps are needed for such an exercise. It is important that key ministries such as health and education are consulted during this planning process to facilitate integration. Thus decisions about the location of schools and health facilities would be based on locally articulated priorities that can support achievement of national policies and targets. Local plans outline what resources are needed, where this should be deployed etc. They assist both central and district government to coordinate their activities with local priorities. Regular strategic planning meetings including all spheres of government, but particularly municipalities and districts, are desirable.

Most municipalities have very limited financial resources or ability to generate their own revenue which hampers their ability to perform their mandates. However, some municipalities have made significant progress in revenue enhancement and financial management. Larger municipalities could generate greater revenues by expanding the number of taxable properties, and updating property values. Similarly, improved administration of taxes and fees such as markets, sanitation and solid waste could greatly increase revenue, although these will require that municipalities provide the requisite service. Municipalities rely, to a large extent, on transfers of funds from central government. However, this is relatively low, and not allocated according to the overall spending needs of the country and the costs of specific municipal responsibilities. It has been recommended that a formula based allocation of the local investment fund (FIIL) be developed, to increase predictability and reliability, similar to that of the Equitable Share allocation of funds from national to local government in South Africa, which is based on population size and specific needs of municipalities. This would facilitate more effective strategic planning at local level as local authorities would have more certainty about their funding streams.

A major difference in the context of local government finance between South Africa and Mozambique is the presence and significance of donor funding in the latter. Municipalities in Mozambique need to develop ways of managing donor funds and activities. Donor funding tends to be unpredictable and usually earmarked for capital projects. Mechanisms need to be put in place whereby municipalities are involved in the formulation and planning of aid funded projects that affect their areas of jurisdiction. Donors’ activities need to take into consideration the various planning documents and priorities identified by the municipalities, and should incorporate a
process whereby programs and projects funded by donors are transferred to municipalities, along with the requisite capacity building and skills transfer.

In most municipalities, financial management systems are weak, and preclude effective strategic planning and control of development. Budgets are not usually tied to strategic planning, or seen as part of the overall strategic management of the municipality. Financial management changes need to be implemented in accordance with the legislation, particularly the SISTAFE law, and all the financial management systems should be fully compatible with the central government’s e-SISTAFE.

Many municipalities have not reviewed their organizational structure in line with their increased responsibilities, or to correspond to the more strategic requirements of developmental and decentralized local government. Some like Maputo, however, have reorganized their staffing and salary structures through a full restructuring process and staff strengthening plan, linking recruitment and remuneration to performance and increased own revenue generation by the municipality. In doing this, the skills and competencies required by the municipality need to be matched to those of existing and new staff. Appropriate training needs to occur, preferably in conjunction with ANAMM, the Training Institutes for Public and Municipal Administration (IFAPAs), and integrated into the public administration training system (SIFAP). Human resources development should be seen as a critical component of an overall integrated and strategic planning process.

Municipalities can embark on a range of activities which will contribute to poverty alleviation. In particular, they can improve access to basic services, school facilities, land use planning and can work closely with the National AIDS Council to support those affected by HIV/AIDS. As in South Africa, municipalities are not directly responsible for local economic development, but rather can work to create an enabling environment for the stimulation and support of business.

In both South Africa and Mozambique there is a dynamic relationship between urban and rural areas, with constant flows of people, goods and income between them. The focus on a specific geographic area fostered by most municipal planning may preclude a more nuanced understanding of the flows between the two, which are central to the livelihood strategies of the poor. Thus development strategies need to take into account both urban and rural areas, and understand the dynamic relationship that operates between them.

Municipalities need to be seen as partners with national government. With the strong leadership of ANAMM, they need to engage more meaningfully in national policy processes. Central government also needs to support inclusion of municipalities as agents of development in its policies and programs, e.g. by including them more substantively in the PARPAs and 5 Year Plans of the future.
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