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O método m-DEL para a planificação distrital

HUMBOLDT-UNIVERSITÄT ZU BERLIN



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Desenvolvimento Económico Local em Moçambique

m-DEL para a planificação distrital

**Um método para identificar potencialidades económicas e
estratégias para a sua promoção**

Vol. 1

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Executive Summary

The study deals with Local Economic Development (LED) and the integration of assistance measures into district development plans. It was commissioned by the Mozambican Department for Rural Development Assistance (DNPDR) and GTZ-PPFD.

Mozambique is one of the poorest countries in the world and a priority partner country of German development cooperation. About 65 per cent of the population live in rural areas. In the priority area *Rural Development/Decentralisation*, German development cooperation supports the decentralisation of development planning and decision making processes. In the context of the Mozambican decentralisation strategy, the GTZ-PPFD programme introduced a new participatory planning process in selected districts that led to improved District Development Plans (PEDD) and Annual Plans (PESOD). Still lacking, however, was a method for the systematic integration of local business development measures.

Background

The Mozambican Decentralisation Programme (PPFD)

The decentralisation process in Mozambique was launched in the 1990s. In 2003 the “Bill on Local Government Bodies” LOLE (Lei dos Órgãos Locais do Estado) was passed, followed by the regulatory statutes in 2005. LOLE established the legal basis for the devolution of additional responsibilities and autonomy to the district level. This represents a de-concentration of the central state, previewing for the first time to include village communities and local leaders. To date the implementation varies considerably from district to district. It is particularly successful in districts that are supported by decentralisation projects.

In 2002 and 2004, respectively, three decentralisation programmes were launched by different donor- and implementation organisations (UNCDF, GTZ-PPFD and World Bank) in cooperation with the Mozambican government. In 2006 these programmes were jointly evaluated by these organisations and recommendations were given for a combined national decentralisation programme PPFDD. Since August 2007 the second draft is being discussed. In this proposal the promotion of Local Economic Development (LED) is part of the programme.

The OIIL (Orçamento de Investimento e Iniciativas Locais)

The political and administrative decentralisation process goes along with a fiscal decentralisation that is on the one hand realised via different sectoral budgets and on the other hand via the district budgets.

2006 was the first year that the districts were paid their own budget of 7 million Meticals (approx. 300,000 US\$), based on the OIIL. This represents less than 3 per cent of the government share; nonetheless the OIIL has become a symbol of the growing independence of the districts.

At first the bulk of this 7 million was invested in the infrastructure of the district administrations and was not utilised in poverty reduction projects, as intended. Subsequently, in May 2006 the Ministry of Planning and Finances enacted a guideline requiring that the district budgets be spent on social infrastructure and projects on economic development and participation in planning and monitoring.

After visits by President Guebuza to some districts between March and May 2007 the guidelines were again revised. Since then solely projects on income- and employment generation as well as food production may be financed with the 7 million budget.

The focus of the budget allocation has thus shifted from socio-economic infrastructure measures to the promotion of Local Economic Development.

Objective of the study

The districts lack a systematic possibility to define business development measures and integrate them into district development plans and annual plans in order to set up an appropriate framework for the utilisation of the district budgets.

The objective of the study is to improve the expertise and capacity of the multisectoral planning teams in the promotion of Local Economic Development. In order to achieve this, a new method dubbed “m-DEL” was devised. It is supposed to identify economic potentials and necessary promotion strategies and was tested in the province of Manica in two pilot districts with extremely different preconditions, Manica and Machaze.

As a working basis for the application of m-DEL, a draft proposal for a planning guideline was compiled for the multisectoral planning teams. The test phase was continuously documented. This documentation provides the basis for a further test run and the implementation of the method by GTZ-PPFD.

Local Economic Development in Mozambique

In order to promote domestic economic growth the Mozambican government supports the strategy for Local Economic Development (LED/ DEL- *Desenvolvimento Económico Local*).

The main idea of DEL is to create a support mechanism for local business that integrates the identification of economic potentials. Support measures primarily aim at generating income and employment opportunities. The objectives of DEL are closely connected with the overall goals of poverty reduction and the improvement of living conditions of the rural population in particular.

Typical areas of intervention are:

- Generating a favourable business environment
- Infrastructure (e.g. roads, electricity grid)
- Provision of services for business companies (e.g. market information, transport)
- Financial services (e.g. micro credits)
- Capacity building (e.g. training for accountancy).

Up to now, however, there is no consistent national strategy for the promotion of Local Economic Development.

The pilot districts Manica and Machaze

The two pilot districts Manica and Machaze are both located in the province of Manica. The province lies in the west of the country, bordering Zimbabwe and the provinces of Gaza, Inhambane, Sofala and Tete. The so-called Beira Corridor, a principal road and rail axis between Zimbabwe and the Mozambican coastline with the Beira harbour, traverses Manica from west to east. This trade route has long been of particular strategic importance and still represents one of the country's main development corridors.

In order to ensure the transferability of m-DEL to various Mozambican districts, two pilot districts with distinctly different levels of development were chosen.

The district of Manica has 155,677 inhabitants and is situated directly along the Beira Corridor. The climate is relatively favourable for agriculture. It is one of the most developed districts of the province with a relatively high number of businesses and traders

Machaze, by contrast, is one of the least developed districts, counting 98,000 inhabitants, situated two hours off the national road and characterised by extreme aridity.

m-DEL

The developed method m-DEL comprises the following elements. In a first participatory part an economic situation analysis of the district takes place. For this, a two-day workshop (Forum Local Economic Development) is organised where the key actors of Local Economic Development participate and analyse the current economic situation as well as discussing their ideas on the economic development of the district. At the same time, the Forum Local Economic Development serves as a platform encouraging an exchange between the private sector, the public sector, and society (dynamisation of the process), while in parallel to this participatory element an analysis of the secondary data is run, concerning the aspects of available natural- and labour resources.

It is important for the implementation of the method to select an advisory organisation in advance which constantly accompanies and actively supports the work of the multisectoral planning teams.

In a further part economic activities with expansion potential are identified. The bottlenecks regarding the aspects of available natural- and labour resources as well as demand are calculated (triangulation). This task is done by the advisory organisation in cooperation with the multisectoral planning teams.

Subsequently, in another participatory workshop together with the key actors for local economy, the eligible potentials are chosen (Second Forum Local Economic Development). During this workshop the support- and service requirements of the chosen potentials are assessed by means of value chain analysis.

The formulation of concrete support measures and the identification of possible service providers and market partners is effected in a further workshop where the advisory organisation and the multisectoral planning teams get advice from the respective experts or consultants.

Added value of m-DEL

What is new about m-DEL for district planning?

With m-DEL a comprehensive analysis of economic potentials and the deduction of systematic support strategies is introduced into the district planning process. Deriving concrete measures for the district development- and annual plans, the method assesses the given potentials without focusing on existing problems.

Differentiating the forms of production during the choice of eligible potentials helps to focus on guidance recommendations for the particular target groups.

The creation of the Forums Local Economic Development allows the active participation of key economic actors of a district and includes local expertise. At the same time, the forums constitute a dynamising factor for the economic development

of a district by providing and encouraging an exchange between the private sector, the public sector, and society.

In the past, advanced trainings for the planning teams took place in workshops off the job. With m-DEL and the constant support of the advisory organisation it is possible to offer a *training on the job* where the planning teams learn the method and apply it directly.

The experience of the first test run allows to draw a number of consequences and organisational recommendations.

Advisory organisation

It is of essential importance that on province level the necessary conditions are provided for an advisory organisation that has the capacity to lead and implement the process.

Motivation and training of the planning team

It is important and necessary to include the planning team on district level in the process right from the beginning in order for the team members to develop enough ownership and for m-DEL to become a familiar instrument for district planning.

Furthermore, financial incentives (per diem allowances) for the planning teams have to be considered.

District government

It is highly relevant that the district government assumes ownership for the process and takes initiative. The district government has to apply for m-DEL on province level and has to accompany the process continuously.

Private sector

The involvement of the private sector was one of the greatest challenges during the first test run. In order to overcome the existing distrust between the private sector and the district government, the objectives of m-DEL had to be explained very carefully and accurately. In Manica a round table was specially organised during the second forum, where the specific questions of the entrepreneurial sector could be discussed.

External knowledge

It is essential to include expert knowledge from outside the district in order to integrate e.g. innovative potentials or potentials that require cooperation between several districts.

Integration of the Forums Local Economic Development into the consultative bodies

Within the participatory district planning the consultative bodies on different administrative levels of a district act as decision making bodies of the civil society. Some of these consultative bodies already have economic committees. It would therefore be advisable to include the Forums Local Economic Development into the structure of the consultative bodies so as to make use of the synergy effects and avoid an overlap of tasks.

Extension of the test run

After having adapted the method according to the experiences of the test run, it would be advisable to run a second test in further districts. For this test GTZ should make further adaptations according to the specific circumstances in the districts.

It would further be important that GTZ continues to accompany the process that was initiated in the two pilot districts of the first test run. This refers especially to the analysis of eligible potentials that could not be addressed adequately in the Second Forum Local Economic Development.