



# INNOVATIONS FOR SUCCESSFUL SOCIETIES

## BUILDING BEIRA: A MUNICIPAL TURNAROUND IN MOZAMBIQUE, 2003 - 2010

### SYNOPSIS

When Daviz Simango took office in 2003 as the mayor of Beira, Mozambique's second most prominent city, the odds were stacked against him. A member of the *Resistência Nacional Moçambicana* (RENAMO, or the Mozambique Resistance Movement), Simango was one of just five opposition mayors in the country. Mozambique's long and bitter civil war between RENAMO, a guerrilla movement at the time, and the ruling party, the *Frente de Libertação de Moçambique* (FRELIMO, or the Liberation Front of Mozambique), left a legacy of hostility and distrust between the parties. Soon after Simango became mayor, the central government began delaying the transfer of funds to his administration, harassing his officials with inspections and publicly undermining his leadership. He responded by strengthening the city's financial independence through a series of reforms. In addition, he worked through the media to make the public aware of the city's difficulties with the central government. Simango also took his complaints directly to central-government ministers. Through these efforts, he bolstered the capacity of the municipal administration to tackle the city's urgent problems of recurring cholera outbreaks and poor sanitation.

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### INTRODUCTION

In 2008, when Daviz Simango's supporters heard that party leaders had dropped him at the last minute as a candidate for a second term as mayor of Beira, they took over the party's offices in protest and remained for several days. Within a week, the supporters collected 10,000 signatures—five times the required number—on a petition for Simango to run as an independent candidate. He went on to win re-election with

60% of the vote.

The party's attempt to keep Simango off the ballot was one measure of his success as Beira's mayor since 2003. Simango's achievements had made him so popular, both in the city and in the rest of Mozambique, that he came to be viewed as a potential challenger to the leadership of his own party, the *Resistência Nacional Moçambicana* (RENAMO, or the Mozambique Resistance Movement). Afonso Dhlakama, who had led

RENAMO, the country's main opposition party, for more than two decades, was behind the decision to delete Simango's name from the party line.

During his first five-year term as one of just five few opposition mayors in Mozambique, Simango had become accustomed to being a political underdog. His predecessor in Beira had been a member of the ruling party, the *Frente de Libertação de Moçambique* (FRELIMO, or the Liberation Front of Mozambique). After Simango's 2003 victory, key officials from the previous administration quit their positions, leaving the incoming officials in the dark about critical municipal operations such as financial management.

Simango arrived to find a distraught municipal staff complaining they had not been paid for a year. Construction companies, vehicle sellers and other business people demanded overdue payments. The central government was slow to release money needed for municipal salaries, and Simango believed that the central government wanted him to fail. "The central government was fighting against us, making [it look like] we're not doing anything," he said. Several donor agencies had decided to cut off funding for the Beira government, citing corruption in the local administration.

Because the central government held a tight grip on power in 2003, serious electoral competition and decentralization of authority were largely untested concepts. A civil war had dominated much of Mozambique's post-independence history, from 1977 to 1992. The ruling party, FRELIMO, which controlled the state from 1975, fought against RENAMO, then a guerrilla movement supported by the governments of Rhodesia and, later, South Africa. After the war, the two organizations debated the structure of the post-conflict state, deciding in the late 1990s to introduce municipal elections in 33 of the country's 128 districts. (Districts are administrative units a step below provinces.)

Opposition parties boycotted the first municipal elections in 1999 but participated in 2003 and won five of the mayoralties, including Beira.

Simango was a rare breed: an opposition mayor in a country where the ruling party had a long history of unopposed control. FRELIMO had ruled Mozambique since independence as the party of liberation. It had made the country a constitutional one-party state from the late 1970s until 1990.

In some ways, Simango followed a family tradition of opposing the ruling party. His father helped found FRELIMO and served as its first vice president from 1962. He was executed in the late 1970s, after leaving the party to form a splinter organization. Simango's mother was later killed, as well.

In 1991, a year after FRELIMO allowed other parties to form, Simango's brother, Lutero, formed a new political party, the National Convention Party. This party participated in the peace talks as a member of what was called the unarmed opposition.

During this period, Simango, a civil engineer, worked as a construction manager. In 2003, RENAMO politicians approached him about running for election as mayor of Beira. They brought a Bible with them and pointed out a section that described people looking for a king, drawing an analogy between it and their discussion. Simango agreed to stand as their candidate.

Technically, Simango was then a member of his brother's party, which had entered a coalition with RENAMO to contest the 1999 elections. Simango subsequently joined RENAMO.

## THE CHALLENGE

From 2003 to 2008, Simango and Mozambique's four other opposition mayors operated in a hostile political environment. The brutal civil war, in which RENAMO committed numerous atrocities against civilians, left a legacy

of distrust between the party and FRELIMO. Both parties retained elements of a combat mentality in their outlooks and regarded politics as a zero-sum game.<sup>1</sup> The opposition mayors saw themselves as fighting a big-brother state, while the central government regarded the mayors as thorns in its side.

City governments depended extensively on the central government for revenue. While municipal governments in Mozambique could collect some taxes, they received the bulk of their funding from a compensation fund controlled by the central government. In 2005, no municipal government collected more than 40% of its budget in local revenue.<sup>2</sup>

Further, municipal governments relied on the central government for important services, such as operating high schools and hospitals. Municipal functions included managing electricity distribution, water and sanitation, public transport, primary education, road maintenance, markets, cemeteries and basic health facilities.

Simango knew he had to navigate this challenging political and institutional context in order to tackle Beira's urgent problems.

One of the most pressing concerns in Beira was widespread cholera. From 2001 to 2003, Beira reported between 3,880 and 4,880 cases of the water-borne disease each year, according to the World Health Organization in 2004.<sup>3</sup> Cholera outbreaks tended to be seasonal, occurring toward the end of the rainy season.

Underlying these epidemics were poor drainage and inadequate sanitation. A port city at the mouth of a river, Beira is on a floodplain, and parts of it are below sea level. Although the Portuguese built some canals in the city, in the 30 years since independence this infrastructure was inadequate to serve the growing population.

Further, garbage often clogged Beira's canals. The city had only three garbage collection trucks for a population of 500,000. Additionally, many residents lacked access to toilets, forcing them to use the outdoors. During rains, polluted water

spilled into the open, creating ideal conditions for cholera.

Simango discovered that challenges also awaited him within the municipal administration itself. The former mayor had been accused of using state facilities for personal gain, and the city was in financial straits.

Francisco Majoi, who managed procurement under Simango, discovered that the municipality had an outstanding debt of seven million meticaís, or about US\$350,000 at the time. Stationery vendors, construction companies and vehicle salespeople demanded that the new government settle old bills, but the incoming city officials could not find any documentation of these debts.

The new administration was "blind" to the true state of the municipality's finances, Majoi said, because several key officials from the previous administration had quit their posts after the elections and had taken their files with them. Among those who left were the chief accountant, chief of commerce and director of urban services.

Simango and his aides also said that outgoing officials had sabotaged municipal equipment by, for example, pouring sugar into gasoline tanks of vehicles.

The municipality's poor financial state meant that many of Beira's 1,600 civil servants had not received regular pay. After the election, they went on strike. Majoi said that staff members came to their new managers in tears, claiming they had not received salaries for a year.

## FRAMING A RESPONSE

As mayor of Beira in 2003, Simango knew he had to focus on delivering tangible service improvements to the public, improving the city's finances, and working directly with senior individuals in the central government to resolve disputes.

Many members of the city's administrative staff were suspicious that he would fire them, and he prioritized their needs in his budget. He sought financial independence from the central

government by improving the city's revenue base and seeking out donor funding.

He also met with senior central government officials to discuss what he regarded as unfair treatment of the municipality, and he took his concerns to the media to ensure that the city's population knew what was happening. Although this strategy entailed a constant struggle with the central government, he was certain that people would recognize the improvements that his administration made in the city.

In order to address Beira's manifold problems, Simango also knew he would need competent and knowledgeable lieutenants. But, given the extent of the city's problems and his position outside the ruling party, he struggled to persuade well qualified outside candidates to join his municipal team. He relied instead on existing staff members and young party members who had assisted his campaign.

When Simango initially decided to run for mayor, he had recruited former colleagues and friends with the appropriate skills and aptitude for his campaign. "I'm going to run now, and I need you to run with me," he told them, promising them jobs in his administration if his campaign succeeded.

Many declined, fearing they would lose their jobs. "And you're not going to win," Simango recalled them saying.

Simango turned to campaign supporters from RENAMO offices. "I didn't have a lot of choice," he said. Many of his campaign managers were 20 to 30 years old, and many lacked high school educations. His critics said they were too young and inexperienced. He responded that he was "looking for management for the future, to prepare them for the future state."

After he was elected, Simango formed his administration by mixing these young party members with veteran staff who had years of administrative experience. For example, his urban-sanitation minister had worked in the municipality from 1996, and his health minister

had a long history in the provincial health department.

Simango also used public advertising to hire people for administrative positions. His public-relations secretary was working at a timber company when he heard about the position. Similarly, his procurement officer applied for the job after hearing that the city needed economists. Both individuals were RENAMO members and subsequently rose through the ranks to become ministers in Simango's second administration.

## GETTING DOWN TO WORK

Simango knew that rebuilding Beira required tightening and expanding the city's weak financial controls, and building confidence among municipal administrators staff in order to improve service delivery.

### *Improving financial controls*

Simango recognized that he had to take firm control of Beira's finances, both to make his administration more independent from the central government and to create the capacity to address the city's major problems.

In one of his first meetings, Simango told the finance department to put the city's revenue into an account that no one could use without his permission. "Nobody is allowed to send the cars or the trucks to the garage without [my] permission, nobody is allowed to go to any kind of shop or market ... to get an invoice without any permission," he recalled telling those at the meeting.

Simango introduced this tightfisted control to prevent unplanned and wasteful spending. While it increased his own administrative burden, he believed it was necessary to plug holes in the city's finances. Over time, as internal audits showed that the municipality's finances had improved, the mayor allowed financial managers to authorize some spending.

The new administration also took steps to strengthen its accounting system. Formerly,

officials had placed payments to the municipality into a box for the finance department. Simango ensured that these payments were well documented, to curb the potential for corruption.

As the new procurement officer, Majoi introduced a formal tender procedure for municipal spending and contracts. The previous administration had not used a competitive bidding process. Majoi required the staff to find three competitive bids before awarding a tender. In 2005, the city created an office to deal with tenders.

The city also introduced controls on the collection of taxes from informal enterprises, such as vendors who hawked goods on city streets. The finance department did not know what the tax base was or whether the tax collectors were illegally pocketing revenue. Simango instructed the officials to work with local party representatives, known as secretaries, to estimate the number of informal sellers in a given area. The municipality could thus evaluate revenue collection in terms of expected revenue.

Additionally, the city began to require tax collectors to carry official receipt books with municipal stamps, rather than carrying their own personal logbooks. Because each taxpayer received a stamped receipt, the department was able to track how much tax each collector had received from the public.

Simango's administration also expanded its tax-collection efforts by introducing new taxes on buildings and fuel, and publicizing existing levies. The administration also cracked down on companies operating the port facilities, which had evaded taxes under the former government. The administration advertised taxes due to the government in newspapers and on television. Simango's team also used newspaper and TV announcements to educate businesspeople on specifics about how and when to pay taxes.

Additionally, Simango bolstered the city's independence by soliciting financial support from donor agencies and multilateral institutions.

Simango said that donors initially were reluctant to provide funding to Beira because of corruption in the previous administration. A few years after he came into office, the European Union, United Nations agencies and several embassies began to contribute money and equipment, such as ambulances, to the municipal government. Simango interpreted this support as critical validation of his efforts to improve the administration.

#### *Building internal support*

Another key step that Simango took was to win the support of the incumbent administrators and staff. He began by paying them what they were owed in salaries. This was not an easy choice. "The question was: Are we going to invest, or pay the [outstanding salaries] and start from nothing?" Simango said. He realized that he would need to keep the city's staff motivated to make good on his campaign promises to improve service delivery.

Although Simango told the municipal staff that he would give them their back pay, they remained skeptical. When his administration made good on the pledge at month's end, he said, he earned their respect and goodwill.

The new mayor also explicitly assured the incumbent staff that he would not sideline people from the old administration. Simango said that he could tell that they feared the change in leadership. "The politicians said that this new management will chase everyone from your jobs," he recalled. He told them not to "look at me as a person who is coming from outside and coming to destroy your old life." He promised them that no jobs would be lost, even though he had deep reservations about the size of the municipal staff and the ability of many workers. He believed that this compromise was necessary to build their support.

The new administration also made other gestures to underline its commitment to the staff. The city bought a truck to take people home. It

also gave sick employees medical assistance and supplemented their nutrition with milk and yogurt.

Another step that Simango took to strengthen the municipal administration was to encourage municipal employees to continue their education. Some employees finished their high school degrees locally, while others went to nearby universities. Of the 30 staff members who had completed their high school or university educations while working in Simango's administration, several were senior managers, including the director of finance.

### *Moving forward*

These measures gave Simango the internal support he needed to tackle some of the city's pressing concerns. The city bought six more garbage trucks, tripling the total to nine. While still inadequate for the city's size, this equipment helped the administration reduce Beira's garbage problem.

The administration also saved money in the long term by purchasing drain-cleaning equipment that it previously had rented.

In a further move to build confidence among citizens, the city introduced a funeral transportation service. Simango learned that people had been abandoning bodies at the city mortuary because they could not afford to transport the dead to cemeteries. The city bought trucks to provide this service free of charge.

Simango also built public support by encouraging his officials to interact with the public. "I used to say that we are not here for the office, we are here for the out of office," he said. The mayor visited neighborhoods every month or quarter, in some cases asking chiefs in the areas to assemble people for him to address.

"We used to talk to them as we are talking as families, as persons living the same situations and bringing from them the real solution," said Simango. "We don't want to put to them what they must do, but bring the problem, leave with

them the problem and make them ... part of the solution."

## OVERCOMING OBSTACLES

Corruption was a continuing challenge. Simango enforced strict rules against hiring family and friends who lacked the skills required for the job. He told employees that having relatives in the office would create conflicts of interest, and he asked workers to imagine how difficult it would be to censure a relative who did something wrong professionally.

Despite these strictures, Simango said that he had to be wary of municipal managers hiring friends and acquaintances, especially in lower levels of the administration. He dealt with this problem through vigilant oversight, sometimes personally.

In one case, he investigated the hiring of women to clean the city's canals. City officials had asked local chiefs to nominate people from their areas. Simango received the list of nominees and asked his staff to prepare employment contracts for them. However, he said that before he signed the contracts, he wanted to "go to the ground." "I want to see the people," he said.

The mayor attended a meeting in one neighborhood and began to discuss the project. He asked the women present if they had heard about it. They said they had not. He recalled turning to the chief and asking, "Man, to whom did you speak? Because the ladies who are here don't know about it."

The chief said that he had told some of the women. Simango asked the chief to present his nominees. He then asked the assembled crowd, "Do you know these ladies?" The people replied that the women were cousins of the chief.

Simango laughed. "Oh, wonderful!" he recalled saying. "That's what I wanted to know." He sent all of the paperwork back to his officials and asked for new nominees.

This hands-on oversight enabled Simango to head off potential corruption. "You can't do it

often” because of time constraints, he acknowledged. But he stressed, “It’s always good to go down and [inspect] what’s really happening.”

Another significant obstacle was Beira’s financial dependence on the central government. Simango’s officials said that the central government disbursed funds slowly and did not send any money to the city in the first six months after the elections.

Albano Carige António, Simango’s public-relations secretary, claimed that the delay was a deliberate attempt to undermine the municipality. However, he said, the central government soon saw that the municipality could increasingly rely on its own improved financial base. As the public became aware of the financial delay, the central government realized that it was doing more harm than good and stopped holding up municipal transfers.

City officials also complained that the central government conducted an excessive number of inspections of the city, distracting the administration from performing key functions.

Again, Simango adopted a personal and straightforward approach to the problem. António traveled with Simango to the central government to complain formally about the inspections. He said that they tried to work directly with the appropriate ministry in a professional manner. The minister for state administration apologized, António said, and relations with the central government began to improve.

## ASSESSING RESULTS

Simango’s success can be measured by his reputation as one of the most popular mayors in Mozambique. One of the strongest indicators of his popularity was the 60% majority he received at the polls when he ran as an independent candidate in the 2008 mayoral race.

His efforts also impressed outside observers such as Lucia van den Bergh, who spent more

than a decade in Mozambique as the representative of the Association of European Parliamentarians with Africa.

In a book on the Mozambican peace process, van den Bergh said that Beira in 1998 was “dirty, the streets were full of potholes, and the neighbourhood around the market was an uneasy place, with aggressive pickpockets.” Ten years later, “... everything looks clean and organised, new public toilets do not have the same smell, and the informal markets are organised by product.”

Financial reforms lay at the heart of Simango’s turnaround of Beira. His former procurement officer, Majoi, estimated that many of the financial reforms paid off toward the end of his first term. A municipal audit by the Ministry for State Administration in early 2010 showed a vast improvement in the city’s finances. Previously, the central ministry had conducted about five inspections a year in response to problems involving the city’s audit. In 2009, the city received two inspections.

In early 2010, there also were signs that cholera had declined in Beira under Simango’s administration. In 2006, the city closed its cholera treatment center for the first time in five years. Many people in the municipal administration claimed that cholera posed less of a problem in early 2010 than it did when Simango came into office, and they credited improved sanitation and preventative measures. However, the province in which Beira is located also experienced a reduction in cholera cases, suggesting that the solution was not attributable purely to the city’s efforts. In addition, Beira was the site of a widespread cholera vaccination trial, funded by donor agencies, which appeared to have had some success.

## REFLECTIONS

While Daviz Simango often found it difficult to work with the central government, especially during his first term, political pressures appeared likely to mount by early 2010. Still the only

opposition mayor in the country, he was no longer part of RENAMO. After he formed his own political party, the *Movimento Democrático de Mocambique*, or the Democratic Movement of Mozambique, he found himself in political competition with RENAMO as well as the ruling party, FRELIMO. Both were keen to undermine the national recognition and credibility he had received for improving conditions in Beira.

“The ruling party is singing, is singing a lot, saying they want to chase us from Beira,” he said. “They tried in 2008, and now they say they have a new strategy.” He said that in meetings with

other municipal mayors, he sometimes felt as though he was speaking a different language. He said his response would be to fight on two fronts: While continuing to fight the central government, he would fight to improve the lives of the populace.

In 2010, Simango remained optimistic that he would succeed in pursuing his goals, despite hostility from the country’s two main political parties. “We are sure that if we keep in touch with the people, if we keep doing better, day after day, we are sure that we are going to be more popular,” he said.

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<sup>1</sup> See for example: Siteo, Eduardo and Carolina Hunguana. *Decentralisation and sustainable peace-building in Mozambique: Bringing the elements together again*. October 2005.

<sup>2</sup> Ibid, p.10.

<sup>3</sup> World Health Organization. *Mozambique mass campaign tests the theory: Vaccines could limit the impact of cholera*. 14 January 2004. <http://www.who.int/mediacentre/news/releases/2004/pr3/en/index.html>.

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