# Report on the Administrative and Financial Capacity of

# the Conservation Areas in Mozambique

## BIOFUND - August 2016

Authors: Sean Nazerali, Alexandra Jorge, Vitor Pereira

# Contents

## 1. EXECUTIVE SUMMARY

The aim of this report is to assess the administrative and financial capacity of 19 ACs in Mozambique, thus contributing to one of the criteria for the allocation of funds from BIOFUND.

The assessment was based on four categories of this capacity, namely:
- Structural;
- Human Resources;
- Existing resources; and
- History of financial management.

After the collection of data, the following results were obtained, with the ACs ordered according to their capacity:

| AC | Structural | Human R. | Resources | Financial History | Total score | % |
|---|---|---|---|---|---|---|
| PN Gorongosa | 88% | 95% | 71% | 100% | 46 | 92% |
| ZPT S. Sebastião | 100% | 75% | 100% | 60% | 39 | 78% |
| PN Limpopo | 100% | 50% | 100% | 80% | 37 | 74% |
| PN Quirimbas | 100% | 40% | 71% | 80% | 33 | 66% |
| RN Niassa | 100% | 30% | 100% | 67% | 31 | 62% |
| RB Inhaca | 100% | 50% | 71% | 47% | 30 | 60% |
| RN Gilé | 63% | 25% | 71% | 67% | 25 | 50% |
| RMP Ponta de Ouro | 63% | 0% | 71% | 53% | 18 | 36% |
| RE Maputo | 0% | 35% | 43% | 53% | 18 | 36% |
| PN Zinave | 75% | 25% | 43% | 20% | 17 | 34% |
| RN Marromeu | 63% | 15% | 71% | 13% | 15 | 30% |
| APA 1st and 2nd islands | 0% | 25% | 0% | 67% | 15 | 30% |
| PN Banhine | 63% | 0% | 0% | 47% | 12 | 24% |
| PN Bazaruto | 38% | 20% | 43% | 7% | 11 | 22% |
| RN Pomene | 38% | 20% | 29% | 7% | 10 | 20% |
| RN Chimanimani | 0% | 25% | 29% | 0% | 7 | 14% |
| PN Mágoè | 0% | 35% | 0% | 0% | 7 | 14% |
| RMP Lake Niassa | 0% | 0% | 0% | 33% | 5 | 10% |
| RN Malhazine | 0% | 0% | 0% | 0% | 0 | 0% |

The result obtained from this exercise in assessing the administrative and financial capacity of the ACs, is an aspect in the overall assessment of the conservation areas which will apply for the funds made available by BIOFUND.

The classifications by category will also help BIOFUND and ANAC to diagnose the weakest areas, which will need greater attention for capacity building in future years.

## 2. BIOFUND

BIOFUND is the first environmental fund set up in Mozambique according to the international standards of the CFA (Conservation Finance Alliance). Its goal is to support financing the conservation of biodiversity, through the application of funds raised, as well as the income from its own endowment.

BIOFUND intends to be a fund which guarantees the long term sustainability of the financing of the biodiversity conservation areas, through a mechanism of efficient financing, financial resources, and effective monitoring and assessment mechanisms which make it possible to follow the development of this sector in a constructive manner.

In 2016 Project "ABELHA" ("BEE") began. This is the first programme of BIOFUND financing activities for 2016/2020. This programme envisages the start of financing the ACs with an initial disbursement to the Limpopo National Park, in the experimental phase (1st cycle) and subsequently 2 financing cycles which will make it possible to reach 2020 with a total of at least 8 Conservation Areas covered by BIOFUND disbursements, to the sum of about US$ 2,500,000.

As defined in Project Abelha, it is fundamental for a financing agency to determine the level of the administrative and financial capacity of the bodies which are its possible beneficiaries, so that this can be included in the range of assessment criteria. At the same time, it is important that this exercise be undertaken in a relatively quick and low cost manner.

## 3. Objective

In this context, the objective of this report is to assess the administrative and financial capacity of 19 ACs in Mozambique, namely:

*National Parks*: Quirimbas, Gorongosa, Mágòe, Bazaruto, Limpopo, Zinave, Banhine
*National Reserves*: Lake Niassa, Niassa, Gilé, Marromeu, Chimanimani, Pomene, Malhazine, Inhaca, Maputo, Ponta do Ouro
*Environmental Protection Area*: Primeiras e Segundas Islands
*Total Protection Zones*: Cape São Sebastião

The report also explains the methodology of this assessment, so that this procedure can be used and repeated in later work.

## 4. Method

Since there is no existing tool that allows an easy assessment of the administrative and financial capacity of the ACs, a questionnaire was drawn up to collect objective information about the ACs.

The objective of this step was to ensure that, through a fair and transparent questionnaire, used for all the ACs, they would thus be subject to the same assessment, so that they would have the same opportunities to apply.

Drawing up the questionnaire took time, and was subject to some reflection. Internal meetings were held, and also meetings with collaborators outside of BIOFUND, including with members of the Technical Assistance team (KfW project to support BIOFUND and ANAC in 2016 and 2017).

At the end of this process, a questionnaire was produced in which 4 relevant categories were defined, namely:
- Structural;
- Human Resources;
- Existing resources; and
- History of financial management.

For each of these categories, there is a series of questions which makes it possible to obtain responses regarded as essential for assessing each biodiversity Conservation Area in terms of its administrative and financial capacity and comparing it with the other ACs.

In order to be more transparent and correct in obtaining data, there is a range of answers for each of the questions, and each of the answers receives a value. At the end, summing up these figures gives a final value. A score was given to each of the categories and questions, in line with their importance in determining the administrative and financial capacity of the ACs, for their assessment/classification in order to become potential beneficiaries of the funds of BIOFUND.

In the **Structural** category, great importance is given to the experience that the AC has in drawing up and managing its budget. However, for this information to make sense, it is necessary to know whether there is an administration/finance sector responsible for this task. Thus one item of information complements the other.

The 2nd Category set up is that of Human Resources, which has two questions. One of them is informative (no. of people in the Administration and Finance Sector who belong to the AC or a partner); the other question intends to ascertain which people possess technical qualifications in the following areas:
- Accountancy;
- Public Administration;
- Human Resources;
- Other areas, or those who, although they do not possess technical qualifications in any of the areas mentioned earlier, work in the Administration and Finance Sector.

It was decided to prioritise technical qualifications to the detriment of the number of people, since technical knowledge is, in principle, a guarantee that the work will be undertaken efficiently.

The 3rd category, on **existing resources**, makes it possible to identify which ACs, if they benefit from funding from BIOFUND, already possess a bank account, and provides details about the accounting system in use. This information allows us to know how each of the ACs keeps its accounts, and in what way each of the ACs could report the accounting data demanded by BIOFUND/donors.

The 4th category is on the **history of management of non-state funds** of the ACs over the past 3 years. This information is important because, although the funds often come from different donors, the procedures and the records required from the donors are similar. Thus there will be less training and preparation work, because the more experienced ACs will be more familiar with working with non-state funds.

In the following figure, one can note the questionnaire created to obtain the data for assessing the administrative and financial capacity of the ACs. As can be seen, in terms of the associated scores, the greatest importance is attributed to **Human Resources**, followed by the **History of Managing Funds**, then the **Structural** category, and finally the category on **Existing Resources**. The logic of this differentiated scoring is that, since BIOFUND will not support the payment of wages, the prior existence of qualified human resources and their experience in managing funds would be the characteristics most likely to indicate success in managing a project of the foundation.

| Criteria for assessing Administrative/Financial Capacity | Score to allocate | | | | | |
|---|---|---|---|---|---|---|
| **4 categories:** | 5 | 4 | 3 | 2 | 1 | 0 |
| **1. Structural** | | | | | | |
| a. Existence of a Sector of Administration/Finance, apart from the Administrator | | | exists | DAF functions s attributed to as specífic people | | Does not exist |
| b. Drafting & execution of budget by the AC and/orby the partner | Draws up & execcutes budget | | Only executes budget | Only draws up budget | | Neither draws up nor execuutes |
| **2. Human Resources** | | | | | | |
| a. No. of staff in the Administration and Finance sectors | NB Information, no score | | | | | |
| Of which, from the AC | NB Information, no score | | | | | |
| Of which, from the partner | NB Information, no score | | | | | |
| b. Technical qualifications | | | | | | |
| Accounting | Higher | Technical | Mid-level | Basic professional | Basic | none |
| Public Administration | Higher | Technical | Mid-level | Basic professional | Basic | none |
| Human Resources | Higher | Technical | Mid-level | Basic professional | Basic | none |
| Others | Higher | Tecnhnical | Mid-level | Basic professional | Basic | none |
| **3. Existing resources** | | | | | | |
| a. Existence of a bank account managed by the AC | | | | exists | | Does not exist |
| b. Accounting system in use | Specialised programme | | Spreadsheet (ex. Excel) | Electronic with Caclulating functrions. (e.g. Word) | Records on paper | None |
| **4. History of management of non-state funds** | | | | | | |
| a. No projects with non-state funds managed in the last 3 years | 5+ proj. | 4 proj. | 3 proj. | 2 proj. | 1 proj. | 0 proj. |
| b. Average annual sum of non-state funds managed in last 3 years | >$500.000 | >$250.000 | >$100.000 | >$10.000 | <$10.000 | 0 |
| c. Audited in last 3 years | Total annual | Partial annual | | Total | Partial | never |
| | | | | | | |
| **Totals** | | | | | | |

*Figure 1- Questionnaire on the assessment of administrative and financial capacity*

Most of the data were collected from the administrators of the parks and reserves, but there were some cases where the answers were given by people to whom the administrators delegated this task. The contacts were made by telephone, e-mail, and personally in some cases.

During the data collection, some difficulties were encountered, notably in the following aspects:

- Contacting the administrators, because there is not much of a telephone network in the conservation area, or because many of the administrators use their e-mail infrequently, and also because of their busy schedule;

- In the understanding of what was really intended with the questions in category 2 – **Technical Qualifications**, and in category 4 – **Audited in the past 4 years**. One of the possible reasons why there were difficulties in understanding these two questions was lack of certainty about the level and technical qualification of the workers in the administration and finance sector, as well as difficulty in understanding what was intended due to the language used during the interview. However, with personal contact it was possible to solve the difficulties found.

## 5. Results

After concluding the entire data collection, it was possible to draw up a table with the total score for each conservation area. Converting the points into percentages by category gives the following results, ordered by their capacity:

| AC | Structural | Human R | Resources | History of Funds | Total Score | % |
|---|---|---|---|---|---|---|
| PN Gorongosa | 88% | 95% | 71% | 100% | 46 | 92% |
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## 6. Discussion of the Results

The result obtained from this exercise of assessing the administrative and financial capacity of the ACs is a factor in the general assessment of the conservation areas that will apply for the funds made available by BIOFUND.

The figures used in this classification were weighted and compared with the general perception of each AC, to verify the instrument and particularly the weight of each category. In general, the order of the scores seems to be in agreement with reality. The Bazaruto Archipelago National Park seems an anomaly, since it obtained a lower score than Zinave, Marromeu, the 1st and 2nd Islands and Banhine, while in reality it seems to have a higher capacity/level of development. However, this lower score is mostly because the external funds in the PNAB are managed directly by the partner and not by the Park. Direct experience in fund management is thus lacking, which does indeed mean reduced capacity.

## 7. Conclusion

With this study it is possible to know and to assess better the situation of the administrative and financial sector of the biodiversity conservation areas in

Mozambique. This study allows us to obtain sufficient data to be able to respond to one of the criteria laid down for assessing the ACs competing for financing from BIOFUND.

The classifications by category will also help BIOFUND and ANAC to diagnose the weakest areas, and which need greater attention for capacity building in future years.