

# Discussion Paper

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## **Supporting domestic accountability in developing countries**

Taking stock of the approaches and  
experiences of German development  
cooperation in Mozambique

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## Preface

The case presented in this document has been prepared on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), in the context of a larger study on German support to domestic accountability developed during the second half of 2010. The study aimed at taking stock of main lines of intervention of German development cooperation with regard to strengthening domestic accountability systems in six partner countries: Bangladesh, Mali, Malawi, Mozambique, Peru and Tanzania. We analysed how different actors of German development cooperation, including the German development organisations (KfW, GTZ, InWEnt, DED, German NGOs and German political foundations), support domestic accountability systems around key policy processes and, in particular, in the focal sectors. To this end, a literature research and telephone interviews were conducted.

The research for this case study on Mozambique took place between July and November 2010. The document and findings thus give a snapshot of the country context and German development cooperation at the time of writing the first draft in December 2010. The process that led to the approval and publication of this final draft took a few more months and into the first of 2011. However, since at the time of interviewing, GTZ, InWEnt and DED, had not yet been merged into GIZ, the old acronyms are used throughout the study.

The authors would like to express their gratitude to Mrs. Birgit Pickel, Senior Development Councillor at the Federal Ministry for Economic Cooperation and Development (BMZ), for her continuous advice and support provided in the course of the study. We also would like to thank Mr. Rudolf Huber, desk officer for Mozambique at BMZ in Bonn, and Ms. Ute Heinbuch, Development Counsellor at the German Embassy in Maputo, who facilitated contacts and interviews in-country. We are grateful to our key contact persons within the German political foundations (Konrad-Adenauer-Stiftung and Friedrich-Ebert-Stiftung) for their help, and to all those who generously gave information, their time and insights in interviews and e-mail exchanges. Their names are noted in the list of interviewees.

We also would like to thank our colleague Bruce Byiers for his input on the last draft of this study, which was especially welcome as he worked in Mozambique on similar issues described in this study. We also appreciated the help of Stéphanie Colin and Barbara Greenberg without whom the proof reading, editing and layout of this document would have been impossible.

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### **Disclaimer**

*The views expressed herein are those of the authors and should not be attributed to BMZ or any other party.*

## Acronyms

ATM	Autoridade Tributária de Moçambique (Mozambican Tax Authority)
AWEPA	Association of European Parliamentarians with Africa
BAG	Budget Analysis Group (donor working group on PFM)
CGE	Conta Geral do Estado (General State Accounts)
CIP	Centro de Integridade Pública (Centre for Public Integrity, NGO)
EED	Evangelischer Entwicklungsdienst (German Protestant Development Service, NGO)
FASE	Fundo de Apoio ao Sector da Educação (Education Sector Support Fund, basket fund)
FDC	Fundação para o Desenvolvimento da Comunidade (Foundation for Community Development, NGO)
FMO	Fórum de Monitoria do Orçamento (Civil Society Budget Monitoring Forum)
FRELIMO	Frente de Libertação de Moçambique (Mozambique Liberation Front, party)
GMD	Grupo Moçambicano da Dívida (Mozambican Debt Group, NGO network)
GoM	Government of Mozambique
G19	Group of 19 GBS donors (previously G15 and G18)
G20	Group of civil society organisations involved in monitoring poverty issues (Observatory)
IBP	International Budget Project
IESE	Instituto de Estudos Sociais e Económicos (Institute for Social and Economic Studies)
MASC	Mecanismo de Apoio à Sociedade Civil (Support Mechanism to Civil Society, NGO network)
MDM	Movimento Democrático de Moçambique (Democratic Movement of Mozambique, party)
MISA	Media Institute of Southern Africa
ODA	Official Development Assistance
OE	Orçamento do Estado (State budget)
PAPs	Programme Aid Partners (general budget support donors)
PARPA	Plano de Acção para a Redução da Pobreza Absoluta (Action Plan for the Reduction of Absolute Poverty)
PNPFD	Programa Nacional de Planificação e Finanças Descentralizadas (National Programme for Decentralised Planning and Finance)
RENAMO	Resistência Nacional Moçambicana (Mozambique National Resistance, party)
TA	Tribunal Administrativo (Mozambique's supreme audit institution)

## Executive summary

After independence in 1975, Mozambique suffered of a devastating civil war that damaged and seriously weakened the country for 16 years, until the signature of the Rome Peace Accords in 1992 between the two antagonist movements FRELIMO and RENAMO. Eighteen years after the end of the conflict, Mozambique remains one of the poorest countries in the world. Mozambique occupies one of the lowest positions of the Human Development Index scale (position 165/169 in 2010), and is among the most dependent countries on foreign aid: in 2008, US \$1.99 billion (26% of the national income), and almost half of the state budget, came from Official Development Assistance. These massive aid volumes have turned the international donor agencies, in particular the group of 19 that provide with general budget support (the so-called G19), into powerful actors with a strong demand on the government for governance and democratic reforms.

On the other hand, domestic systems of accountability are weak, mainly due to historical legacy. FRELIMO has ruled the country since independence, and benefits from a widespread network throughout the national territory, with the sole exception of the province of Beira, where opposition parties have constantly prevailed. This has guaranteed citizens' loyalty to FRELIMO for a very long time and leaves little space for the development of an effective opposition. In terms of political institutions, power is concentrated in the hands of the members of the executive branch, and in particular of the President. The opening of political space to other parties is hampered, being all executive positions in the state institutions occupied by members of FRELIMO. In the last legislative elections (October 2009), the dominant party obtained a large majority and now occupies 75% of the seats in the National Assembly. Besides, this legislative body remains weak and marginal in the relevant national decision-making processes and cannot duly fulfill its oversight role and counterbalance the power of the government. The supreme audit institution of the country (*Tribunal Administrativo*), has significantly improved its capacity to hold the government accountable in the past five years, due to massive donor support. However, lack of follow-up to the audits and reports emitted by this institution, and the ineffectiveness of mechanisms of control, continue endangering the accountability relation between the government and its citizens.

At the local level, the scenario does not differ much. The results of the last local elections have guaranteed FRELIMO the lead in 42 of the 43 municipal governments, and a majority in all 11 provincial assemblies. Other actors of vertical accountability, such as traditional leaders, academic institutions and the private sector, still lack the initiative to face and hold the national and local governments accountable. The Mozambican civil society is on its way to become a stronger player in controlling the conduct of the political leadership. Nevertheless, the presence of a growing and partly free media system has made it possible for a number of private broadcast channels and newspapers to improve the visibility of ongoing political discussion to the citizens, and to make public some cases of corruption. On the other hand, the rise of emerging global actors in Mozambique, such as China and Brazil, which in the last decade have provided assistance to the country without linking to the traditional aid systems, raise some concerns. It is not clear what impact the low level of transparency of this financial assistance may have on the internal systems of accountability.

The German development cooperation has intervened with a multi-level approach in this rather complex picture, where domestic accountability systems continuously adapt to a context in evolution, as result of the interactions among national, subnational and international actors. The articulation in a few specialised agencies that support different groups and stages of actors allows the German aid system covering different levels, from the local communities to the national ministries, while carrying out activities in the three focal sectors: education, sustainable economic development and decentralisation. In terms of

programme-based-approaches, Germany provides general budget support to the Mozambican state budget and contributes to the Education Sector Support Fund and two further basket-funds (in support to the *Tribunal Administrativo* and to the Revenue Authority). A few specific activities aimed at supporting the state institutions and non-state actors involved in the budget process accompany the provision of general budget support.

KfW, GTZ, DED, CIM and InWEnt are present in the country and particularly active in the field of governance and domestic accountability. Recently, they have committed to cooperating in a decentralisation programme that aims to strengthen different actors on both the supply and the demand side of accountability in the provinces of Manica, Sofala and Inhambane for the period 2010-2015. This articulated approach is complemented by the intervention of two German political foundations, the Konrad-Adenauer-Stiftung and the Friedrich-Ebert-Stiftung that, among other relevant activities in support of democratisation, have recently trained national and provincial parliamentarians on the budget process, in cooperation with KfW and UNICEF. This pilot initiative aims to strengthen the capacity of members of the parliaments and of civil society organisations to read and understand the national budget, and to become familiar with public financial management. In addition, both foundations provide support to the media through a regional programme that covers southern African countries, an intervention highly appreciated given the crucial role the media can play in diffusing information on public finances to the citizens.

The high interest of donor agencies in improving the transparency of the public financial management system in Mozambique has put domestic accountability at the top of the agenda of a few donors besides Germany, among those that provide general budget support. However, donor support is still fragmented and tends to focus on governmental institutions. Other actors, such as political parties, the National Assembly, independent media, research institutions, think tanks and other civil society organisations are only marginally reached out, for instance by the intervention of the two German political foundations. As they seem to hold a potential to improve domestic accountability systems in the country, a more adequate and coordinated donor support, including in the sector of decentralisation, could be beneficial and ensure that this process is owned by the local and national actors and becomes sustainable.



## Introduction

In 2008, Alliance 2015, a partnership of seven like-minded European NGOs working in the field of development cooperation<sup>1</sup>, commissioned a report on “Fostering democratic ownership - Towards Greater Impact on Poverty”, including a case study on Mozambique<sup>2</sup>. The report and the case studies were prepared for the discussions in advance of the third High Level Forum on Aid Effectiveness to be held in Accra. This study highlighted the need for a greater participation of civil society and parliaments in defining, implementing and monitoring development policies at national and local levels (Wright 2008, p. 5).

Following the Accra Agenda for Action agreed upon in 2008, domestic accountability as an issue has received increasing attention. This also holds true for development cooperation in Mozambique, a country where more than a quarter of the national income comes from external assistance. Mozambique has also benefited from general budget support which has been jointly provided by an increasing number of donor countries since the late 1990s. In the last few years, concerns have been voiced that the Government of Mozambique is more accountable to donor countries than to domestic institutions and that there are trade-offs between domestic and external accountability (Handley 2008, p. 18).

Donors have since started to pay more attention to strengthening drivers of domestic accountability and interactions between these actors. For instance, in March 2010, the GOVNET work-stream on aid and domestic accountability chose Mozambique as a case for their study ‘Improving Support to Domestic Accountability’<sup>3</sup>. This work-stream aims to generate a better understanding and evidence-base on aid and domestic accountability with a view to inform donor policy and practice. In April 2010, the German Ministry of Economic Cooperation and Development (BMZ), a member of this GOVNET work-stream, commissioned an internal stocktaking exercise on German support to domestic accountability in Mozambique. The findings of this exercise do not only intend to inform German policy making, but also to contribute to the discussions on domestic accountability in GOVNET and potentially amongst donors and their partners in Mozambique (Loquai et al. 2010, p. 32).

Drawing on a literature review and telephone interviews, this case study provides a closer look at perceptions regarding domestic accountability in Mozambique. It takes a snapshot of the country context in 2010 and explores how German development cooperation and some other donors aim to strengthen domestic accountability systems in the context of programme-based approaches and budget support.

The study is structured as follows:

**Chapter 1** briefly comments on the methodological approach pointing to elements of the analytical framework that were developed for the broader stocktaking exercise.

**Chapter 2** places the study in the larger political context and aid environment in Mozambique.

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<sup>1</sup> Alliance 2015 members are: Cesvi from Italy; Concern Worldwide from Ireland; Hivos from the Netherlands; IBIS from Denmark; People in Need from the Czech Republic; German Agro Action (Welthungerhilfe) from Germany.

<sup>2</sup> See: Methven 2008.

<sup>3</sup> The GOVNET work-stream on aid and domestic accountability aims to inform and shape donors' behaviour so that aid is provided in ways that maximise its positive impacts on domestic accountability in developing countries. It is designed to better understand how to make aid work for domestic accountability – through parliament, political parties, media, civil society organisations, audit institutions etc. – in developing countries. Source: [www.oecd.org/dataoecd/33/61/44637318.pdf](http://www.oecd.org/dataoecd/33/61/44637318.pdf).

**Chapter 3** takes a closer look at (potential) drivers of accountability and the relations between them. The chapter also identifies a number of policy processes and debates that were considered particular important or relevant for the rising of domestic accountability in Mozambique.

**Chapter 4** maps and analyses the German support for strengthening domestic accountability, focusing on a selected number of policy processes and issues. The chapter also looks at the complementarities and synergies between different lines of interventions and instruments of German aid.

**Chapter 5** then places German support in the context of wider donor efforts to strengthen domestic accountability systems exploring complementarities and scope for strategic alliances and a greater harmonisation of approaches.

**Chapter 6** summarises key findings and draws some preliminary conclusions.

## 1. Methodology

The research for this case study followed the analytical framework and methodological approach that was developed for the larger stocktaking exercise on German support to domestic accountability<sup>4</sup>. This framework acknowledges that domestic accountability is a somewhat elusive concept. For analytical reasons, it distinguishes the following two dimensions or lines of accountability:

- **Horizontal or intra-state accountability**, which refers to the inner system of checks and balances between state institutions and the capacities of these institutions to assume oversight, control or audit functions that render the actions of the state more accountable and transparent.
- **Vertical accountability**, which refers to the answerability of the state to its citizens as well as mechanisms that are used by citizens and non-state actors to hold institutions of the state accountable.

Recent research corroborates that domestic accountability is mainly a result of the interactions and political engagement of domestic actors (DAC 2010; Eberlei 2001; Morazán and Koch 2010), including a variety of state and non-state actors, who draw on specific principles, incentives and agreements as incorporated in legal frameworks, administrative procedures or traditions. The following actors are considered potential drivers of domestic accountability, in the sense that they are important pillars of the State's system of checks and balances or play an important role in ensuring that the government and the administration are answerable to the citizens in a democracy: Parliament, the judiciary, supreme audit institution, civil society organisations, political parties, ombudsmen, media, local governments at the different levels (in Mozambique: municipalities, *distritos* and provinces) and their associations. Given that in many developing countries, including Mozambique, traditional authorities are important both socially and politically, the study incorporates their role as drivers of domestic accountability and more generally at the influence of informal aspects of governance.

External actors, such as donors, or other global actors, for example international regional organisations, international watchdog or advocacy organisations, multinationals or international agreements can impact (positively or negatively) on domestic accountability. Thus the specific role of these external influences is also considered in the analysis.

The intention was to highlight how actors of German development cooperation intend to facilitate political space and build institutional mechanisms that allow for potential drivers of accountability to engage in political debates and cooperate. For this, the focus lies on support for “domestic accountability systems”, or processes, rather than for individual institutions.

More detailed information on the assumptions and analytical orientations that have guided the research for this case study can be found in the inception report for the stock-taking exercise (Loquai et al. 2010). The research was guided by a detailed list of research questions that are presented in the inception note.

Roughly speaking, they revolved around the following overarching research questions:

- To what extent has the objective of promoting or strengthening domestic accountability systems been integrated into the strategy and programme documents of German-Mozambican development cooperation?

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<sup>4</sup> Cf. Loquai et al., 2010.

- To what extent and how do German development organisations, i.e. the bilateral agencies, German NGOs and the political foundations as well as the embassies support domestic accountability in the country?
- How complementary are the approaches and instruments of different actors of German development cooperation and how could they be combined to achieve greater synergies?
- What kind of support do other donors/their agencies provide in support of domestic accountability in the country and how can complementarities and synergies with German actors and their partners be enhanced with a view to greater harmonisation and aid effectiveness?
- What obstacles and challenges have been encountered by actors of German cooperation (and the wider donor community) in their efforts to strengthen domestic accountability systems and what lessons have been learned?

In line with the general methodology, this study also presents one practice case that is considered particularly illustrative of the way in which German development cooperation aims to strengthen domestic accountability systems in Mozambique.

Methodologically, the research for this study draws on four components:

- a review of literature;
- a review of strategy and programme documents of German development cooperation;
- a series of 16 semi-structured telephone interviews;
- additional information and comments the authors received when the draft of this case study was circulated among key stakeholders of German development cooperation.

In line with the general methodology, the interviews mainly focused on representatives of different German development organisations, BMZ and the German Embassy. Upon agreement with the client, the authors decided to interview representatives of other donor agencies, to explore scope for synergies and complementarities between the efforts of German development cooperation and other external assistance, and also of three Mozambican civil society organisations, in order to take into account local perspectives. The number of these phone interviews was restricted due to limited resources, and the choice of the interviewees was made in consultation with the German actors on the field.

Time-wise, research for this study was carried out in parallel to the case study on “Improving Support to Domestic Accountability” in Mozambique of the GOVNET’s work-stream, of which BMZ is a member. First contacts with GOVNET were established in July 2010 to ensure complementarities. However, information on the methodology and focus of the GOVNET case study and first draft was only accessible in late December (see: Macuane and Maduela 2010), when this case study had already been finalised and circulated to the German stakeholders in the country. Nevertheless, as they stand now, both studies are largely complementary. The GOVNET study maps, describes and assesses a panoply of different instruments and procedures introduced with the assistance of the donor community to strengthen domestic accountability. The present study, describes main lines of interventions of German development cooperation, highlighting the specific approach and experiences of German actors and their efforts to create synergies and complementarities with a selected number of donors.

The authors hope that the findings of this case study, which were shared with GOVNET, can help to contribute to a better understanding of how bilateral and non-governmental German development organisations aim to promote domestic accountability in Mozambique and how they collaborate and harmonise their approaches with those of other donors.

## 2. The political context and aid environment

The political history of Mozambique has been marked by the long-term political domination of the *Frente de Libertação de Moçambique* (FRELIMO) on the scene. This liberation movement, created in 1962 to fight for independence from the Portuguese, was transformed into a Marxist-Leninist political party after the country obtained independence in 1975 as a consequence of the Carnation Revolution in Lisbon. Its decision to establish a one-party state based on Marxist principles gained the support of both Cuba and the Soviet Union. At the same time, the movement called *Resistência Nacional Moçambicana* (RENAMO) was created, sponsored by the white minority governments of Rhodesia and South Africa, in particular to prevent the FRELIMO government from providing a safe haven for Zimbabwe African National Union (ZANU) militants seeking to overthrow the Rhodesian government. The subsequent confrontation between FRELIMO and RENAMO, and their supporting parties, led to a devastating civil war which lasted 16 years, finally concluding when the Rome General Peace Accords were signed in 1992.

Samora Machel (the first Mozambican President, unelected) led the State until his suspicious death in a plane crash in 1986, when he was replaced by Joaquim Chissano. The first multi-party elections in 1994 put an end to single-party rule and initiated a presidential political system. FRELIMO won the first elections and Chissano was elected president. RENAMO, which also reconstituted itself as a civilian political party, participated in these elections (FRELIMO obtained 44.33% and RENAMO 37.78%). In the following elections (1999, 2004) FRELIMO was reconfirmed as the majority party. However, in 2004, due to the fact that Chissano could not serve a third mandate for constitutional reasons, the party chose Armando Guebuza as its candidate.

FRELIMO's highly effective structure, which extends into even the most remote parts of the country due to its anti-colonial roots, accounts to some degree for its long-time presence in power. By contrast, RENAMO (the main opposition party) has not managed to transform itself from a rebel organisation into an effective political party. FRELIMO's long hold on power has frequently been described as a process of "*partidarização*" or "*frelimização*" (=FRELIMisation) of the Mozambican State and public institutions. As a consequence, the constitutionally established system of 'checks and balances' is thwarted by the FRELIMO's absolutely dominant role in all state institutions, and is reflected in its control of all political and economic processes.

On October 28, 2009, Mozambique held simultaneous presidential, legislative, and provincial assembly elections. With regards to 2004, FRELIMO increased its majority significantly, obtaining a 2/3 majority in Parliament, while RENAMO lost considerably. FRELIMO's President Armando Guebuza obtained 75% of the vote and Afonso Dhlakama of RENAMO came in second with nearly 15%; 9.28% of the votes were won by Daviz Simango of the new Democratic Movement of Mozambique (MDM) created in March 2009. Of 250 parliamentary seats, FRELIMO won 192, RENAMO 48, and MDM 8. According to the final report of the EU Election Observation Mission, the Election Day largely guaranteed universal suffrage. Fundamental freedoms and rights of assembly, expression and movement were "fundamentally respected. Despite this, the broader electoral process was weakened by the insufficient measures of transparency shown by the country's electoral authorities, by an unlevel playing field during the electoral campaign and by limitations with regard to voter choice at local level." (EU Election Observation Mission 2009, p. 4). As in 2004, the election observers noted irregularities in counting, tabulation and aggregation, but they were considered too limited in scope to significantly affect the results. However, the absence of "fundamental measures of transparency" did not allow for a precise statistical assessment of the distortions of local results caused by these irregularities (EU Election Observation Mission 2009, p. 4). Some concerns were also raised on the registration process of parties and candidates.

According to interviews, these facts raised the concern among donors on the real commitment of the government to fulfil governance conditionalities agreed for general budget support. Donors have pledged to continue budget support for 2011 at the same level as this year, but planned increases have been cancelled and two donors are reducing contributions (Hanlon 2010, p. 1). At the time of writing, discussions on future budget support commitments beyond the year 2011 were still ongoing.

One of the major electoral disputes regarded the MDM party. This was created in the beginning of 2009 by Daviz Simango, former member of RENAMO and mayor of Beira, the second biggest town in the country. The establishment of this new party has raised hope within the population and the donor community. The Electoral Commission allowed MDM to participate in only four out of 11 electoral districts. In seven Provinces MDM was excluded for deficiency in the application forms; donors raised some concerns about the legitimacy of this exclusion. According to official data, MDM obtained 8% of votes in the elections, and eight seats in Parliament (out of 250). According to a regulation of 1995, the minimum number of seats necessary to constitute a parliamentary group was five, but this was later changed to 11. This requirement prevented MDM to constitute its own *bancada*<sup>5</sup> based on the electoral results of 2009. Under internal and international pressure, the regulation was then changed again, and the minimum number of seats fixed at five. This allowed MDM to have its group in the Parliament. MDM elected members are currently participating in several parliamentary committees. MDM is working to expand to more provinces within the country and is expected to gain more importance during the next years, especially in the 2014 elections.

The Mozambican administrative reform laws replaced the Portuguese colonial administrative structures. After the constitution adopted in 1990 introduced a multiparty system, the Mozambican Parliament approved in 1997 the 'Local Authorities Legislation'. This legislation established the legal and institutional framework for elected local authorities (*autarquias* or municipalities), corresponding to urban areas. A two-tier local government system was thus created. After some delays, in 1998 the country held its first municipal elections (*eleições autárquicas*) to provide for local representation and some budgetary authority at the municipal level. The principal opposition party, RENAMO, boycotted the local elections and turnout was very low (15%). *Eleições autárquicas* were repeated in 2003 (in the 33 existing municipalities) and in 2008 (in the 43 existing municipalities). In this last electoral round, FRELIMO mayoral candidates won in 42 of the 43 municipalities. Only the town of Beira, as we said, is led by an opposition exponent, Daviz Simango, who was a presidential candidate in October 2009 for MDM. The number of municipalities has been growing in the last years and could be further increased.

In 2000, the Council of Ministers issued a decree clarifying the mechanisms for local state institutions to collaborate and co-ordinate with traditional authorities or community leaders (Decree 15/2000, for more information on the content cf. page 8). A law issued in 2003 clarified the role of the deconcentrated administration of the central state. Districts, corresponding to rural areas, are not decentralised but deconcentrated entities, since their presidents are appointed by the President of the Republic. Districts are further divided in *postos administrativos* and then into *localidades*.

Finally, the new constitution adopted in November 2004 provided for the establishment of provincial assemblies for each of the 10 provinces, creating a three-tier local government system. As a result of this, nowadays the 11 Mozambican provinces (10 provinces and the capital city which has the same status as a province) are partly de-concentrated and partly decentralised entities, and are divided into 128 districts, deconcentrated, and 43 *autarquias*, elected bodies. The Governors (heads of the province's executive), according to the Constitution, are appointed by the President of the Republic, while the assemblies, after some delay in the process, have for the first time been elected in October 2009. As the Governors are

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<sup>5</sup> Parliamentary group.

accountable to the President of the Republic, the relation between the provincial Governor and the provincial assembly is, according to many, artificial and forced.

Eighteen years after the end of its devastating civil war, Mozambique remains one of the poorest countries in the world, with an income per capita of US \$436 and an unchanging Human Development Index position of 172 out of 182 and weak institutions (Hodges and Tibana 2004, p. 20). According to the World Bank<sup>6</sup>, in 2008 net Official Development Assistance to the country amounted to around US \$1.99 billion, which corresponds to 26% of national income. This makes of Mozambique the world's eighth most aid dependent country. The largest donors are the World Bank, the European Commission and the United States (the first two also provide general budget support), who together provide more than US \$100 million per year, followed by Denmark, the UK, Sweden, Norway, the Netherlands and the African Development Bank, who together provide between US \$50 million and US \$70 million per year. German total bilateral commitments for the three-year period 2009-2011 amount to €113.5 million.

Given its privileged status among donors, Mozambique has also become a model and a testing ground for so-called 'new aid modalities', such as general budget support (De Renzio and Hanlon 2007, p. 3). This was initially provided by a group of six donors, the G6, which by 2001 became G9, supplying harmonised budget support of US \$127 million to the central government budget. In 2007, the 19 donors working together as Programme Aid Partners (PAPs or G19) committed US \$435 million to GBS, representing 23% of total external aid for 2008. This is an increase of 17.5% over the commitments for 2007, when 60% of external aid was still channelled through projects (Methven 2008, p. 10). The G19 pledged a total of US \$471.8 million in budget support for 2010. The group also pledged US \$332.7 million in aid earmarked for common funds in 2010, in particular for the fund which has benefited the education sector since 1998, as well as for health and other sector programmes, bringing the total commitment from US \$19 million to US \$ 804.5 million (AllAfrica.com).

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<sup>6</sup> Source: World Development Indicators.

## 3. Dimensions and drivers of domestic accountability in Mozambique

### 3.1. Horizontal accountability

According to interviews, although some progress has been made in recent years, internal drivers of domestic accountability in Mozambique are still weak and need to be reinforced. Democratic institutions are still under construction and the system of 'checks and balances' is fragile. Internal and external control systems have been established only recently. The executive, in particular the president, is very powerful, while the single-chamber national Parliament (*Assembleia da República*), which exerts legislative power, is dominated by the ruling party, and is still on its way to gaining more importance.

The Assembly has been described as an institution that lacks capacity in most areas. It is composed of 250 members, many of whom are functionally illiterate in the official working language (Portuguese), especially those proceeding from the Provinces. Moreover, many parliamentarians are very young and lack experience. Elected parliamentarians are more accountable to the party in government and respond to its requirements, rather than being representative in the Assembly of the interests and citizens of the region where they were elected. A recent survey highlighted that 60% of Mozambican citizens do not know the name of the parliamentarian who represents them in the Assembly, nor have they ever met him/her (this survey was mentioned by Mr. Pereira, representative of the civil society, during the interview with him).

Due to the close link between parliamentarians of the majority and party in the government, there is a lack of critical understanding of the Assembly's oversight role in the budget process. Legally, Parliament has the power to make whatever amendments it likes in the government's budget proposal. However, this has never happened for the simple political reason that the party in government, FRELIMO, has always enjoyed a comfortable majority in Parliament. The party makes major decisions, and FRELIMO members in Parliament have to be aligned with these decisions, as straying from the party line would constitute a personal career risk. Furthermore, the opposition has never submitted an alternative budget or any amendments of their own, preferring simply to vote against the majority. But there is nothing in the law or in the parliamentary standing orders to prevent deputies from submitting amendments.

However, change is underway, albeit slowly. Even though it is very difficult for any opposition parliamentarian group to express rival opinions because in the end the minority will lose, they have started raising issues, especially through the media. In the new term, some parliamentarians, most of them from RENAMO, but also some FRELIMO militants, have become more critical, sometimes expressing different views and challenging the GoM. Donors are encouraging this practice.

The role of the country's supreme audit institution is performed by the *Tribunal Administrativo* (TA), in addition to two other responsibilities: Section 1 is responsible for administrative litigation; Section 2 for fiscal and customs litigation; Section 3 performs the audit function. According to all interviewees, the *Tribunal Administrativo* has in the last years proved to function very well and to be autonomous from the government, in comparison with the Assembly. The main competencies of Section 3 are to release the annual report on the General State Account (CGE), to give prior control of acts and contracts of all public Institutions, to perform audits, to judge all public accounts, and to apply financial sanctions to public managers who have been shown to be corrupt (criminal prosecution can then be initiated by the regular



judiciary system)<sup>7</sup>. The President of the Tribunal and the judges are chosen by the President of the Republic following the proposal of the *Conselho Superior da Magistratura Judicial Administrativa* (Supreme Administrative Judicial Council) but cannot be dismissed by him.

The staff of the Tribunal is highly motivated. According to most interviewees, except for some bureaucratic slowness, the Tribunal works rather well and has played a very constructive role in the last years, maintaining independence from the executive. According to a recent study, the TA is very well equipped. The Tribunal is also in the process of opening decentralised branches in several provinces<sup>8</sup>. The Tribunal is financially supported through a basket fund by four donors: Finland, Germany, Netherlands and Sweden.

The Tribunal publishes the Report and Opinion on the General Budget of the State (*Relatório e Parecer sobre a Conta Geral do Estado - RPCGE*), which it prepares after receiving from the Assembly the yearly State General Accounts (CGE) prepared by the GoM. This Opinion is sent back to the Assembly, which can decide to approve it or not. According to the law, the Opinion should be published by the Tribunal not more than six months after receiving the government's General State Accounts (CGE). In the last ten years, the Tribunal has complied with this legal provision (interview).

The TA did not assume its auditing function until 2005, when an initial series of five audits was completed. In 2010 more than 600 audits will be completed. In the period 2008-2010, more than 500 public managers have been sanctioned with fines, or obliged to refund resources they embezzled. According to GTZ's technical advisor to the Tribunal administrative, these steps taken for sanctioning corrupt behaviour are considerable for a country with such a strong state-party link. The effectiveness of the TA is however still constrained by an insufficient number of judges. At the time of writing, there was the perspective that three new judges would be nominated by the end of 2010 to deal with backlogs of audits.<sup>9</sup> Even though TA reports directly to Parliament, the relation with Parliament is still very formal. Furthermore, although since recently all TA reports are being published<sup>10</sup>, not much cooperation with media and civil society is registered.

The judiciary system in Mozambique is based on Portuguese civil law and customary law. The Supreme Court, which hears appeals from both systems, is at the apex of the system. The provincial and district courts are below the Supreme Court. Local customary courts are part of the civil/criminal system. They handle estate, divorce, and other social and family issues. Since the abolition of the Revolutionary Military Tribunal and establishment of the Supreme Court in 1988, those accused of crimes against the state are tried in civilian courts under standard criminal procedural rules.

The 1990 Constitution establishes an independent judiciary, with judges nominated by other jurists instead of being designated by administrative appointment. However, the executive, and by extension the FRELIMO party, have continuously dominated the judiciary, which is understaffed and manned by

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<sup>7</sup> This information was extracted from the presentation prepared by Mr. Carlos Mauricio Cabral Figueiredo, GTZ Technical Adviser at *Tribunal Administrativo*, for the Conference 'International Perspectives on SAls and Technical Cooperation: Challenging, Roles and Responsibilities?' that took place in Berlin on 17-18 June, 2010.

<sup>8</sup> On December 1, 2010 the first provincial *Tribunal Administrativo* was inaugurated in Nampula. On December 20, 2010 a second one will be inaugurated in Sofala, one of the focal provinces of German Development Cooperation in Mozambique.

<sup>9</sup> Cf. Comments by GTZ's technical advisor at the Tribunal Administrativo.

<sup>10</sup> The Audit Reports (*acórdãos*) of the TA's Section 3 have been published only in more recent times. According to the new Corporate Plan 2011-2014 (*Plano Corporativo - PLACOR*), all of them will be made public and posted on internet in the future. This is already the case for the Report and Opinion on the General Budget of the State (*Relatório e Parecer sobre a Conta Geral do Estado*).

inadequately trained appointees. The President of the Republic appoints the president and vice president of the highest tribunal, the Supreme Court. Supreme Court nominations are prepared initially by the Higher Judicial Magistrate's Council (CSMJ), the body responsible for overseeing professional behavior among magistrates. A list of persons qualified for the Supreme Court is then submitted to the President. CSMJ members are elected by their peers; four are elected by the National Assembly and two are appointed by the President. CSMJ members tend to be either FRELIMO members or FRELIMO-affiliated. No Assembly approval is needed for other judicial appointments, which are also made by the President.

### 3.2. Vertical accountability

Civil society in Mozambique is reported as relatively weak in capacity and unable to play an effective role as a driver of domestic accountability (DFID 2008, p. viii; interviews). However, there are a few organisations effective in the area of domestic accountability and monitoring of the State budget, most of them based in Maputo. The Centre for Public Integrity (CIP), created in 2005, benefits from a basket fund that receives contributions from DFID, the Swiss agency for Development and Cooperation (SDC), and the Danish, Dutch and Swedish embassies. Between 2007 and 2009, this basket fund provided CIP with US \$2 million. In addition to CIP, some NGO networks such as the G20, active in the process of formulating the Poverty Reduction Strategy Paper, the Mozambican Debt Group (*Grupo Moçambicano da Dívida – GMD*), the Mechanism to Support Civil Society (*Mecanismo de Apoio à Sociedade Civil – MASC*) and the recently created Civil Society Budget Monitoring Forum (*Fórum de Monitoria do Orçamento – FMO*) engage in the budget process, i.e. they try to influence allocations and monitor implementation of the budget.

While all of the above CSOs receive external support and have been able to strengthen their capacity as drivers of accountability, they cannot compensate for the lack of control and oversight by Parliament and the checks a strong opposition would place on the executive. Moreover, the above mentioned organisations represent an exception, being part of an elite which is located in the capital, while in general the capacity of CSOs still has a long way to go. Except in Maputo and the town of Beira, where civil society is to a certain extent organised and developed, in other provinces and at district level civil society is much weaker and limited to delivery of services (e.g. health, education, drinking water), and does not deal with public financial issues. Moreover, many of the local CSOs have close links with FRELIMO, which controls most of the local authorities; this undermines their potential role as drivers of accountability.

Although one party has dominated Mozambique for a long time, the country has a partly free media system, according to the Freedom House, who in 2010 gave Mozambique a score of 42 out of 100 (where 0 is the best and 100 the worst). The private media have enjoyed moderate growth in recent years, and independent daily and weekly newspapers routinely provide scrutiny of the government<sup>11</sup>. Examples are: *O País* (which gives more space to budget and financial issues), *Canal de Moçambique* (the more critical voice against the GoM), *Jornal de Notícias*, *O Escorpião*, *O Noticiário*, *Savana*, *Zambeze*, *Correio da Manhã*, *Mediafax*, and, in the provinces: *Diário da Zambézia* and *Nampula Fax*.

Political issues, including those raised by the opposition parties, are discussed in these newspapers. Some newspapers publish the bilateral agreements with donors through which the new amounts for budget support are approved annually. However, since publications are based in the capital, Maputo, and half of the population is still illiterate, particularly in the rural areas, these newspapers do not have a large audience. According to a recent survey, only 10% of Mozambicans have access to print media (survey

<sup>11</sup> Source: [www.freedomhouse.org/template.cfm?page=251&year=2008](http://www.freedomhouse.org/template.cfm?page=251&year=2008), and choose Mozambique.

mentioned by Mr. Pereira during his interview). Radio and in particular community radio still play a crucial role in the provinces but they do not deal much with political issues. The Media Institute of Southern Africa (MISA) and the Friedrich-Ebert-Stiftung's 'Southern African Media Project' took the initiative to start the African Media Barometer (AMB) in April 2005; this is a self-assessment exercise performed by concerned and informed citizens in each particular country according to a number of general, home-grown criteria. The three evaluations conducted in the past years in Mozambique had encouraging outcomes (information proceeding by the email exchange with Mr. Manfred Öhm of Friedrich-Ebert-Stiftung Mozambique, see more information on the AMB website).

Due to one-party predominance at the provincial and municipal (as well as national) levels, accountability is endangered in provincial and local governments. FRELIMO leads 42 out of 43 municipalities (*autarquias*) i.e. all except Beira, where Daviz Simango has been elected mayor for RENAMO in 2003 and reconfirmed in 2008. Since he founded his own party in 2009 (MDM), Simango has been mayor of Beira on his party's ticket. In all provincial assemblies which were elected last year, FRELIMO has the majority. The capacity of the members of these assemblies is very weak, and many of them are illiterate. Consequently, and because FRELIMO is predominant in all of them, these institutions are unlikely to act as drivers of horizontal or vertical accountability. The demand of some citizens for accountability is registered in the area of delivery of services, especially at the municipal level, while the relation between CSOs and citizens is more evident in the local councils<sup>12</sup>.

The role of the traditional leaders on the political scene was formally recognised by the Decree 15/2000 that started having larger effects after Armando Guebuza's election as President in 2004. According to the decree, traditional leaders have a say in decision-making on certain issues. They have to be consulted by local authorities on issues dealing with: peace, justice and social harmony; the population census; civic education; use of land; employment; food security; housing; public health; education and culture; environment; increasing and maintaining viability. However, interviewees expressed strong doubts about the role of traditional leaders as potential drivers of accountability due to their historical lack of autonomy. In fact, after FRELIMO removed their formal rule during one-party rule, they decided to support RENAMO, who used them in guerrilla activities in some parts of the countries. Consequently, traditional leaders supported RENAMO in the first two presidential and parliamentary elections (1994 and 1999). After President Guebuza sought to make a new alliance with these leaders ensuring the implementation of Decree 15/2000, they shifted their support to him, particularly in the 2009 general elections.

Within Mozambican academic institutions, only the Institute for Social and Economic Studies (IESE) has been mentioned as an actor that has played a role in domestic accountability issues. It is collaborating with the Centre for Public Integrity on the Extractive Industry Transparency Initiative (EITI) and also monitors governance at the local level. Soon, IESE should start playing a role in the second phase of the 'Initiative of Monitoring Local Governance' at the district and municipal levels (see page 30).

The private sector cannot be considered a relevant actor in the context of domestic accountability, since another consequence of the process of "*partidarização*" is that FRELIMO has a strong hold on the economy. For instance, in accordance with the 'nationalisation policy' every (foreign) investor needs to have a Mozambican counterpart, which in practice means someone who is member of FRELIMO. This implies that all Mozambican and foreign enterprises have a link with FRELIMO. Thus, it is unlikely that

<sup>12</sup> The local councils are institutions that exist within the legal framework and are composed of citizens selected from the bottom (*povoação*) who come together to discuss planning, balancing, and monitoring in areas such as infrastructures, local economic development, etc. Local councils have 4 levels, up to the district level. They are composed of 50 people, of whom 30% have to be women (Source: Article 7 of the "*Guião sobre a organização e o funcionamento dos Conselhos Locais*", Guide on Organisation and Functioning of Local Councils, 2009).

associations of entrepreneurs or other private sector interest groups would hold the government to account.

The main obstacles to citizens' political participation in Mozambique are illiteracy (more than 50% of the population is still illiterate) and historical legacy, as the electoral process is not considered by the population to be an effective mechanism for holding those who govern to account, also a legacy from the past. FRELIMO's well-organised structure has covered the entire national territory for decades now, and its visibility and pro-activeness (especially in connection with Election Days), make the population feel quite satisfied with the party and discourage about intervening more in governance issues. Some interlocutors argued that efforts of citizens to politically engage beyond elections or party membership are quite limited, because the population is quite satisfied with the services provided by the party. Others emphasised that Mozambicans were discouraged to be critical on governance issues in view of FRELIMO's predominance. Moreover, as demonstrations were not allowed, there were hardly any possibilities to show discontent.

Clearly, there is presently a certain disconnect between the real needs of the Mozambican population, and the issues that are raised and addressed by the government, the opposition and other organisations that should represent citizens' interests (parties, trade unions and other civil society organisations). This became evident when riots and strikes, also called 'food riots', broke out in the first week of September of 2010. These riots, that took place in Maputo and to a lesser degree in some secondary towns (e.g. Beira and Chimoio), erupted in response to high inflation and the GoM's decision to increase the prices for fuel and bread. According to official sources, 13 people were shot dead by the police during the riots. Unofficial sources gave much higher numbers (30 people killed). The riots were spontaneous and not organised by a trade union, other CSOs or the opposition. They mostly involved poor people coming from Maputo's periphery. The opposition parties took different positions with regard to these events. The President of RENAMO initially called for a continuation of the "strikes", while MDM did not take any position at all (source: interviews).

### 3.3. External actors

Without a doubt, in a country like Mozambique where one-fourth of the national income, and almost half of the state budget, comes from ODA (56% in 2008 and 44% in 2010, according to the OECD Creditor Reporting System<sup>13</sup>), donor pressure for budget transparency and accountability for aid funds is high. The strong influence of donors and their demand contrasts with the weakness of the internal pressure on the government from Mozambican society and the legislative body. This has led to an unbalanced relationship that has often made GoM more accountable to the international donors than to internal institutions and actors. Moreover, this external pressure has shown limited success when it comes to pushing the GoM towards substantial reforms which could have strengthened domestic accountability, for example reforms linked to fighting corruption.

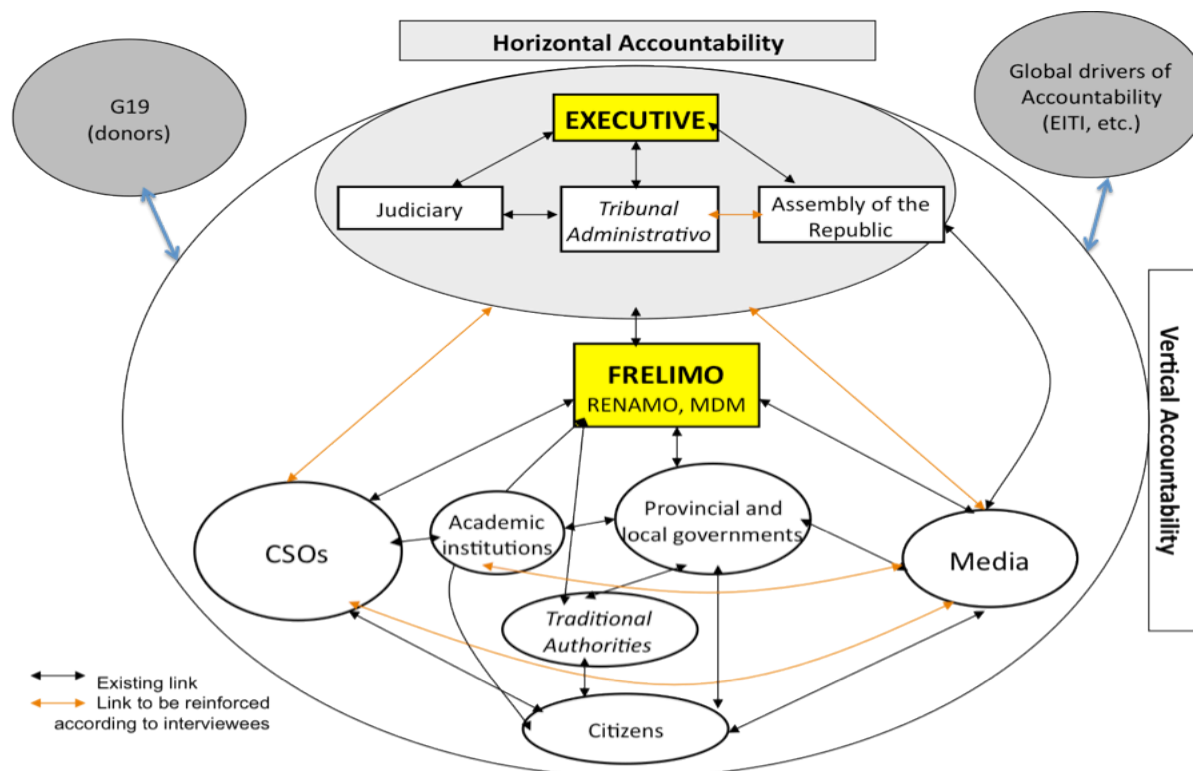
According to the interviews, increasing Chinese development cooperation in the country, operating as it does, is seen as harmful for the emergence of domestic accountability. The scarce transparency and clarity of Chinese intervention, especially in the area of natural resources, and general lack of information accessible to domestic accountability actors such as Parliament and civil society, may hamper domestic accountability.

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<sup>13</sup> Data from: <http://stats.oecd.org>.

Regarding international compacts, Mozambique is in the process of becoming a fully subscribed member of the Extractive Industry Transparency Initiative (EITI) and has until May 2011 to complete the validation process. The government established a 'ad-hoc' multi-stakeholder group of named representatives of the government, companies, and civil society (the Centre for Public Integrity and the Institute for Social and Economic Studies are active; see their websites for more information). This multi-stakeholder group became the official coordinating group of the EITI early in 2010.

### Domestic accountability in Mozambique



### 3.4. Important policy processes for the emergence of domestic accountability

In interviews, the following policy processes were identified as the most important policy processes for the emergence of domestic accountability: the national poverty reduction strategy; the budget process and budget support; the decentralisation process. Corruption was mentioned by many interviewees as an obstructing factor to domestic accountability.

Since 2001, poverty reduction has been the key overarching policy priority for the acting government. The strategy for attaining this goal is laid out in the Action Plan for the Reduction of Absolute Poverty (PARPA), the Mozambican PRSP that is linked to the government's five-year development plan. The first PARPA (2001-2005) was heavily skewed towards provision of basic services such as health and education, in line with the guidelines underpinning debt cancellation in the late 1990s. It was written with heavy input from

foreign consultants and submitted to donors for comment, but not debated or approved by the Parliament. Consultation with civil society did not take place.

PARPA II (2006-2009, prolonged into 2010) aimed at reducing poverty from 54% to 45% by 2009, and focused on three pillars: economic development, human capital development/poverty reduction (MDGs) and governance. The run-up to PARPA II saw the formation of Thematic Observatory Working Groups as well as a Strategic Advisory Committee in which civil society was represented. The Poverty Observatory (*Observatório da Pobreza*), composed of representatives of the national government, international donors and local civil society, was envisioned as a consultative platform for dialogue on poverty reduction, the implementation of the PARPA, and improved governance. It has been operational since 2002. The 20 civil society organisations in the Observatory (the G20) held an intermediate Poverty Observatory panel in August 2005 to coordinate the scheduled formulation of a draft PARPA II version by October and a final version by December 2005. PARPA II was presented to Parliament for approval, albeit without room for discussion. Donors remained the main interlocutors in the policy dialogue with the government in the context of the PARPA process.

The Poverty Observatory has also been a unique opportunity to beef up Mozambique's developing M&E system, because it produces an annual poverty report (*Relatório Annual da Pobreza*). Data is gathered for the poverty report at district, provincial and national levels through questionnaires and focus groups; people are interviewed in rural districts and urban centres and a preliminary analysis is undertaken with the surveyed constituencies during one national and ten provincial seminars. The results of the survey allow the Observatory to make recommendations to the GoM for further preparation of the PRSPs. This is the case of the new PARP (Action Plan for the Reduction of Poverty, for the period 2011-2014), which is currently being formulated. In this paper, the A has been dropped, meaning that the fight against poverty is extended beyond absolute poverty to all kinds of poverty.

The GoM is committed to implementing the Paris Agenda on Aid Effectiveness, and is favorable towards general budget support (GBS) and other programme-based approaches (PBAs). The consequent reduction of aid fragmentation and increased volume of resources, which flow through the national budget, is indeed preferred. A new Memorandum of Understanding (MoU) for GBS, in support of the Mozambican strategy for national development and poverty reduction (PARPA II), was signed in March 2009 between the GoM and the 19 GBS donors<sup>14</sup>. This reconfirmed an effective partnership of ten years. In that same year, the government of Mozambique received US \$485 million from the 19 development partners in the form of direct support to the country's budget. For the first time, two non-budget support donors, the United Nations and United States of America, were associated members to the Memorandum.

In the document, the government committed itself to continued poverty reduction, to the achievement of the Millennium Development Goals and to adherence to the fundamental principles of democracy and respect for human rights. The 19 donors pledge to hold themselves to account annually against the terms and commitments in the MoU, a form of mutual accountability prioritised in the Accra Agenda for Action (document adopted at the High Level Forum on Aid Effectiveness in September 2008). Under the MoU there will continue to be an Annual Review of Government and partner performance and also an annual meeting to set the benchmarks against which the government and partners will be measured in the following year (the Mid-Year Review), for instance regarding the mutual commitments on improving governance and combating corruption. This new MoU is seen as representing a best balance between

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<sup>14</sup> These are: the African Development Bank, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Spain, United Kingdom, the World Bank, also called PAPs or G19.

promoting ownership of management by the government of Mozambique of budget support finance, and the oversight needed by the 19 partners for the provision of their taxpayers' and agencies' funds.

The provision of general budget support is aimed at strengthening the key actors in the national budget process. In fact, Mozambique scored poorly in this year's edition of the Open Budget Index (OBI)<sup>15</sup> and the US-based International Budget Partnership (IBP), who assessed 94 countries, found that 74 of them, including Mozambique, did not meet what it considered 'the minimum standards of transparency and responsibility in public budgets'. In the Mozambican budget process, the executive has been playing a dominant role. The parliament, which has the power to amend the government's budget proposal, never does it for the simple political reason that the party in government has always enjoyed a comfortable majority in the Assembly. Furthermore, the opposition has never submitted an alternative budget, or any amendments, preferring simply to vote against the majority. But there is nothing in the law or in the parliamentary standing orders to prevent deputies from submitting amendments.

The parliament also has the power to demand that the executive collaborates in implementing the recommendations made by the auditing body (the *Tribunal Administrativo*). In fact, every year the Assembly instructs the government to implement the Tribunal's recommendations. If those instructions are not followed it is not because of any legal impediment, but because the FRELIMO majority in parliament, rightly or wrongly, trusts the FRELIMO government, and the Finance Ministry in particular, to do its job. Opposition deputies have opportunities at every parliamentary sitting to submit questions to, and demand information from the government. They have never used these opportunities to quiz the Finance Minister on the implementation of the Administrative Tribunal's recommendations.

There are few initiatives for involving civil society in the budget process. A remarkable example is the work of the Foundation for Community Development (*Fundação para o Desenvolvimento da Comunidade – FDC*) led by Graça Machel<sup>16</sup>, that is part of both the already mentioned civil society network, the Mozambican Group of Debt and the Forum for Budget Monitoring. With the support of UNICEF, the FDC prepares budget briefs, available for free, which describe the government's budget for the various sectors in language accessible to the general public.

However, interviewees expressed their concern about these processes because most of the policy discussions are between the executive and the donors, with little opportunity for civil society and Parliament to contribute.

In the context of FRELIMO's predominance, corruption is certainly an issue. According to Transparency International's Corruption Perceptions Index for 2010, Mozambique is rated 2.7 (position 116/178); this has remained constant since 2004. Daily corruption (small bribes) is ever present, and larger scale misappropriation and embezzlement have been registered in both the public and private sectors. Client-patronage systems exist and tend to be linked to the dominant party. It is common perception that being a member of FRELIMO facilitates the process to obtain a job in public administration, or to do business.

In the last years, especially since budget support has gained in importance, donors have complained about corruption and the GoM's scant efforts to fight this phenomenon, which have led to little substantial change. Some national actors have also raised this issue in recent years. In particular CIP, the Centre for Public Integrity, a national NGO affiliated with Transparency International, which initiated its activities in 2005, has

<sup>15</sup> The score ranges from zero to 100. Mozambique got 28, while for instance South Africa's score was 92.

<sup>16</sup> Graça Machel is the widow of first Mozambican President, nowadays wife of former South African President Nelson Mandela, and a social and political activities over many decades, in particular in the area of women and children's rights.

played a very important role in strengthening internal demand for anti-corruption. In response to these complaints, the GoM has made some steps toward fighting corruption. In 2006, in the context of the PARPA II (Poverty Reduction Strategy Paper - PRSP), the government approved an 'Anti-Corruption Strategy', announcing a "zero tolerance" policy. Five sectors were chosen by the GoM as particularly vulnerable and critical (Justice, Education and Culture, Health, Interior and Finances), and Action Plans were laid out for these sectors. At the same time, an Attorney-General's Anti-Corruption Unit (*Unidade Anti-Corrupção da Procuradoria Geral da República*) was also created. In spite of these efforts, interviewees (both foreign and Mozambican nationals) remain very skeptical on the possible outcomes of this process in the short and medium term and felt that success had been achieved only on paper.

Decentralisation is a process aimed at strengthening both the supply and demand sides of accountability. The major challenge regarding this process is to make sure political decentralisation is accompanied by a suitable fiscal decentralisation, which allows the local governments, especially municipalities, to carry out their role. Currently, 60% of the state budget is still controlled at the central level, and there is scarce opportunity for control at the provincial, district, municipal and locality levels. In a wider effort to promote decentralisation, the first provincial parliamentary elections were held last year, and these assemblies are now established. However, parliamentarians' lack of capacity, controversial relations with the governor, who is appointed by the President of the Republic and therefore accountable to him, little fiscal decentralisation, and the predominance of the FRELIMO party in all of them may weaken this important process for strengthening accountability.

Regarding the demand side of accountability at the local level, the direct relation between the citizen and the local governments can create a culture of demand for accountability that can eventually affect the national level.

In 2006, the Ministry of Planning and Development carried out a joint evaluation of the programmes in support of decentralisation and decided to harmonise the different interventions in a National Programme for Decentralised Planning and Finance (PNPFD, from the acronym in Portuguese), designed with the assistance of UNDP, the World Bank and the German development cooperation, in particular GTZ. Although different donor agencies provide financial resources to the PNPFD, implementation and management of the programme are responsibilities of the GoM, according to the principle of ownership. This National Programme supports the establishment, development and consolidation of a National System of Decentralised Planning and Finances (PFD) and local organs of the state at the district level. The objective is to strengthen the capacity of governmental institutions at all levels for planning and managing, in a participatory and transparent way, resources allocated for local social and economic development. It covers all 128 districts in the country and is supported by UNDP, the World Bank and four bilateral donors. Financial support from the World Bank, Ireland, Switzerland and the Netherlands is channeled through a common basket fund. UNPD and the German development cooperation/ GTZ signed the MoU as Non-Common Fund Partners but channel their support through other aid modalities. However, they accepted the same fundamental commitments and responsibilities (goal, objectives and implementation strategy) as other Common Fund Partners. The GoM has announced that it will prepare a similar national programme to harmonise support for the 43 municipalities.

The initiatives for raising the capacity of domestic accountability actors, including civil society, at the lower level are also supported by different donors. These include Dutch cooperation, the Swiss Agency for Development and Cooperation (which has promoted the 'Initiative of Monitoring Local Governance'), German development cooperation (GTZ and DED).



## 4. German support for domestic accountability

### 4.1. Focus sectors of German development cooperation and the use of PBAs

The bases for German development cooperation in Mozambique are the GoM's five-year development programme and its PARPA II (Poverty Reduction Strategy Paper), as well as its commitment to implementing the Paris Agenda on Aid Effectiveness. With a view to strengthening national capacity, German development cooperation is making strong and increasing use of general budget support and national systems for channeling financial resources to target groups. The implementation by the GoM of key reform agendas, in particular in the areas of education, the financial sector and decentralisation, is an essential condition for the continued provision of direct financial support.

German total bilateral commitments for the three-year period 2009-2011 amount to €113.5 million. Assistance is concentrated on three focal sectors which are given high attention in the PARPA II:

1. Basic and vocational education: the focus is on quality and the management of public finances; financial support is provided through the FASE basket fund (*Fundo de Apoio ao Sector da Educação – Education Sector Support Fund*);
2. Sustainable economic development: this support focuses on delivering demand-led financial services and creating an enabling environment for the private sector;
3. Decentralisation for rural development (formerly called 'Decentralised rural development', and then changed in order to give more emphasis on the decentralisation process): the focus is on establishing and strengthening an integrated system for participatory, strategic and operational budgetary planning and implementation, and on developing the necessary capacities at local level.

In regional terms, German development cooperation is focused on three provinces: Manica and Sofala in the centre, and on the province of Inhambane in the south.

Table 1 provides an overview of German PBA disbursements from 2002 to the current year. In Mozambique, one of the first countries to have received German budget support, GBS has been provided since 2004, with disbursements increasing substantially since then. While 3.5 million was committed in 2004, these commitments amounted to €15 million in 2009 and 2010. In sum, a total of €69.5 million of budget support has been disbursed in the form of GBS.

Germany also makes financial contributions to other joint programme-based-approaches. It contributed to the Education Sector Support Fund (FASE basket fund) in 2002 and 2004, and on regular basis since 2006, and in 2009 Germany contributed to both the basket fund for the *Tribunal Administrativo* (Mozambican Supreme Audit Institution) and to the basket fund for the *Autoridade Tributária* (Revenue Authority).

These interventions, as well as support given to Parliament and civil society by German cooperation actors, are crucial accompanying measures to the macroeconomic support, aimed at improving understanding of the whole budget process among the domestic actors.

**Table 1: German disbursement (in million €) to PBAs**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
GBS	0	0	3.5	3.5	10	10	12.5	15	15	69.5
FASE	3	0	2	0	13.7	6	9.5	26.5	16	76.7
Trib. Adm.	0	0	0	0	0	0	0	1.6	0.8	2.4
Revenue Auth.	0	0	0	0	0	0	0	2	1	3
Total	3	0	5.5	3.5	23.7	16	22	45.1	32.8	151.6

Source: data provided by KfW

## 4.2. Domestic accountability as a theme in strategy and programme documents

The following strategy and programme documents were made available: the 'Country Strategy Paper 2007-2009' (still ongoing); the 'Sector joint Strategy Paper in the focal area of Education' (February 2007); the 'Minutes of the 2009 Negotiations on Development Cooperation between Mozambique and Germany' – the record of bilateral aid negotiations between Germany and Mozambique that took place in Maputo on May 7 and 8, 2009; the joint programme proposal 'Participation in the common Programme for macro-economic support in Mozambique' (November 2009); and the joint programme proposal 'Decentralisation for rural development' (June 2010). A draft version of the decentralisation strategy paper prepared in 2007 was also mentioned by interviewees, but not available for this study. There are reflections ongoing on potential joint EU programmatic process in synergy with all Member States in the future.

The 'Mozambique Country Strategy' was formulated before the Accra Agenda for Action was approved and before BMZ issued its position paper on resilient states. Therefore, domestic accountability is never mentioned as such in this document, but some references are made to the necessity of supporting drivers of domestic accountability. For example, a reference is made to 'districts and municipalities are understood as the key providers of services'. Another statement is: 'the joint programme and accompanying dialogue offer opportunities to support both national institutions and reform processes. Of high importance is the strengthening of good governance and public financial management. It remains to be seen to what extent additional activities will be necessary in the field of governance, in order to strengthen the democratic elements of transparency and social control (*gesellschaftliche Kontrolle*)' (BMZ 2007, pp. 7-8). Within the framework of support to the priority area of decentralisation, it is necessary to 'develop the instruments of democratic participation (including most particularly at the district level) and of transparency and democratic control of public activities' (BMZ 2007, p. 10). Regarding GBS, the 'Country Strategy' states that 'the strengthening of good governance and public financial management is of high importance'; it also reminds that 'PARPA II is the framework for all German efforts in Mozambique' (BMZ 2007).

A shift in the German cooperation towards a more prominent role for domestic accountability is visible in the more recent 'Minutes of the 2009 Negotiations on Development Cooperation between Mozambique and Germany'. In this document, good governance and combating corruption are highlighted as shared objectives: 'both governments intend to cooperate closely to ensure transparency, accountability and probity in the use of public resources and eliminate any opportunities which may exist for corrupt practices in their cooperation' (Minutes 2009, p. 20). Moreover, 'the involvement of civil society and Parliament in the budget process is a special concern for Germany' (idem, p. 5). This document also gives high priority to harmonising and aligning support for decentralisation.

In terms of documents on sector strategies in our possession, the 2007 joint strategy paper on education does not mention strengthening of domestic accountability systems. Issues related to accountability (not only domestic) are addressed in the two joint programme proposals dated 2009 and 2010. In the proposal for 'Participation in the common Programme for macro-economic support in Mozambique', accountability (*Rechenschaftslegung* or *Rechenschaftspflicht*) is mentioned a dozen times. While outlining the strategy of German development cooperation in Mozambique, accountability is mentioned in the following context: 'the cross-cutting profile is specially targeted on two topics: the encouragement of an effective public financial management including the enhancement of internal and external accountability, as well as the stronger inclusion of civil society and Parliament in the budget cycle' (Programme Proposal 2009, pp. 12-13). In the joint proposal on decentralisation, domestic accountability is mentioned at least ten times (*Rechenschaftslegung* in all cases, except one) and considerable emphasis is given to improving the accountability of all levels of state administration as an important objective of the intervention in favour of decentralisation.























From analysis of all these papers it can be concluded that the theme 'strengthening domestic accountability' is only recently being addressed in German programmatic papers, and it is almost absent in the earlier strategy papers. Therefore, an overarching support strategy across focal sectors seems to be missing.

### 4.3. Support for domestic accountability systems around policy processes and issues

This stocktaking exercise has highlighted the involvement of all major actors of German development cooperation in support of domestic accountability in Mozambique. These actors are: the German Embassy, GTZ, KfW, DED, InWEnt, and the two political foundations, Konrad-Adenauer-Stiftung and Friedrich-Ebert-Stiftung. Some activity from German NGOs is also noted in the sector: the Protestant Development Service (EED) and German Agro Action, this last involved through Alliance 2015. Moreover, the NGO DVV-International (*Institut für Internationale Zusammenarbeit des Deutschen Volkshochschul-Verbandes*) is active in the sector of education.

As shown in the table below, German actors support several national policy processes that have an impact on domestic accountability.

**Table 2: Overview of German development cooperation actors supporting policy processes in Mozambique**

<i>Policy process</i>	<b>BMZ/ German Embassy</b>	<b>GTZ</b>	<b>KfW</b>	<b>DED</b>	<b>InWEnt</b>	<b>KAS</b>	<b>FES</b>	<b>EED and German Agro Action</b>	<b>DVV- International</b>
Poverty Reduction Strategy (PARPA)						 <sup>17</sup>			
Budget and budget support process									
Decentralisation/ local governments		 +CIM							
Education									
Tax Reform									
Anti-corruption									
Freedom of media									

Support in the poverty reduction and budget process is quite well-balanced among German agencies as can be seen in the table, and is directed to both governmental institutions (including the supreme audit institution) and the Parliament, with some activities benefitting CSOs. Good synergies and complementarities have also been established by German development cooperation actors working around policy processes that are also German focal sectors (notably decentralisation and education), where different drivers of domestic accountability are supported (national institutions such as the Ministry for Planning and Development, local governments, provincial assemblies and local civil society). Support for CSOs is provided by several German agencies around different policy processes (anti-corruption, in addition to the ones already mentioned), and is provided both at local and the national level. However, this is not the case for support to the Mozambican media. In this sector, to the only German organisation providing substantial support is the Friedrich-Ebert-Stiftung.

#### 4.4. Support for overarching development strategies processes

Germany supports the implementation of the Poverty Reduction Strategy (PARPA II) through financial contributions disbursed by KfW to the general state budget, providing the necessary resources for the GoM to implement the strategy and achieve its important outcomes. The German Embassy actively participates in the political dialogue on the macroeconomic support programme and plays an very important role in the activities implemented by the different agencies (source: interview)

KAS supports the implementation of the PARPA, by promoting citizens' participation, multi-party democracy and rule of law.<sup>18</sup>

<sup>17</sup> In comments on the first draft of the study, KAS highlighted that they support dialogue on policy processes that are not listed in this table. They also proposed to give the Foundation a marker for the PARPA process, since the Foundation worked on "participation, multi-party democracy and rule of law [which] in the end are elements of PARPA as well". On the basis of this argument and the limited information available, the author's cannot assess to what extent KAS promotes domestic accountability systems around the PARPA process, but included a marker on a preliminary basis to be substantiated by additional information on the nature of activities.

<sup>18</sup> See footnote 13.

In addition, the German NGO EED has promoted the project: 'Strengthening the participation of CSOs in the Mozambican PRSP-process', supporting the participation of some NGO networks, such as the Mozambican Group of Debt (GMD), in the process of formulating, monitoring and evaluating the PARPA.

German Agro Action (Welthungerhilfe) is active through the Alliance2015, a partnership of seven like-minded NGOs working in the field of development cooperation. The other Alliance members are Cesvi from Italy, Concern Worldwide from Ireland, Hivos from the Netherlands, IBIS from Denmark, People in Need from the Czech Republic and ACTED from France. In 2008, the Alliance published a study with the objective of identifying how donor agencies could affect CSOs in Mozambique (Methven 2008). More recently, within the framework of the Aid Effectiveness Initiative (2009-2011) and in view of the fourth High Level Forum on Aid Effectiveness to take place in late 2011, the Alliance 2015 has been working in 5 selected developing countries (Mozambique being one) with the objective of making CSOs strong partners in monitoring and advocacy, holding donors and recipient country governments to account for their commitments made in Paris and Accra.

#### 4.5. Support for key policy processes and debates in the focal sectors of German cooperation

Two out of three focal sectors of German development cooperation in Mozambique are particularly relevant for enhancing domestic accountability in the country: decentralisation and education. Several German organisations participate, impacting on different drivers of domestic accountability.

In 2010, a joint programme proposal on decentralisation was prepared by KfW, GTZ, DED, CIM and InWEnt to be carried out in the period 2010-2015. Most of the German actors participating in the process are active in the districts of the focal provinces of Manica, Sofala and Inhambane through their involvement in the 'National Programme for Decentralised Planning and Finance' (PNPFD). This is piloted by the Ministry of Planning and Development and benefits from a basket fund provided by four donors (the International Development Association, the Netherlands, Ireland and Swiss development cooperation). Germany is a 'Non-Common Fund Partner', but is signatory to the PNPFD's Memorandum of Understanding, providing technical assistance. German technical support has the objective of making more efficient, transparent and accountable use of the funds made available to the de-concentrated administrative units in the wake of fiscal decentralisation promoted by the central government. This has been done with a particular emphasis on strengthening the internal and external control systems. In addition, the intervention aims to enhance the mechanisms for citizen participation in local decision-making processes, especially those related to service delivery and economic infrastructure, through strengthening civil society. This support targets both the de-concentrated governmental and administrative institutions, as well as local civil society. How far German financial cooperation can provide financial support to the PNPFD in the future is an open question.

Ongoing financial support through the District Development Fund (FINDER) links the KfW's allocation of investment budgets (€6 million up to 2010) for both public and economically important infrastructures, such as schools, health centres and local markets, to an action, supported by GTZ and DED, aimed at strengthening the technical capacity in the districts and municipalities in the areas of building, management and maintenance in the province of Inhambane. After the GoM indicated that it would like to implement this

programme in the future in the neighbor regions of Sofala und Manica as well, the German Government approved €15 million to implement the Program in those three Provinces<sup>19</sup> in the future.

Konrad-Adenauer-Stiftung has trained the parliamentarians of some of the new provincial assemblies established this year, mostly in the area of budget and budget cycles. This can also be considered support for the decentralisation process. Moreover, KAS cooperates with the City of Beira in the field of training for municipal counsellors and employees, and with CEPKA (*Centro de Pesquisa Konrad Adenauer*) of the Catholic University of Mozambique in the Northern Provinces. This cooperation focuses on research and training for local representatives and district councils. Friedrich-Ebert-Stiftung has also implemented cooperation<sup>20</sup> with the FRELIMO bench of the provincial parliament in Cabo Delgado, although the National Assembly is the main partner of FES intervention.

In the sector of education, where donor harmonisation is most advanced, KfW is responsible for disbursing the German contribution to the Education Sector Support Fund (FASE basket fund) that also involves ten other donors<sup>21</sup>. Germany has supported the sector-wide programme-based-approach in education on a regular basis since 2006, and gave some financial support before that, in 2002 and 2004. KfW manages the financial contribution that has come to €76.7 million in the last years (see Table 1). The pooled fund focuses on a number of issues identified in the Government of Mozambique's Education Sector Strategic Plan (PEEC) for 2006-2011, including access to education, the quality of education, and the institutional capacity of Mozambique's education sector. The fund has been described as a very powerful instrument: in 2008, 2009 and 2010, between US \$100 and \$140 million have been spent each year. This constitutes a large amount of money for a country like Mozambique. Some traditional projects in education still exist, but donor contribution to the education sector is currently 90% aligned with national strategy. In addition to this, KfW is also providing support for the programme for school construction in the focal provinces Inhambane, Manica and Sofala.

GTZ and InWEnt provide technical assistance to the sector at the provincial and national level, in the framework of a programme aimed at 'Improving Basic and Vocational Education'. GTZ provides technical assistance in the three focal provinces and in Maputo, giving training to school directors, supporting NGOs specialised in teacher training, and strengthening parents' capacities in demanding and monitoring the quality of education. On the national level, German development cooperation assists the Ministry of Education and Culture (MEC), while the main partners on the local level are the Provincial Directorates for Education and Culture (*Direcções Provinciais Educação e Cultura*) and the NGOs. Demand for accountability is very strong in the education sector, as many people have a child in school and therefore want a better education system. Illiterate people are also engaged in an effort to improve education. The German Education Programme aims at articulating this demand. InWEnt makes some contribution toward training in planning, budgeting, monitoring and evaluating in education (POEMA – *Planificação, Orçamentação, Execução, Monitoria, Avaliação*). InWEnt also contributes to a programme for vocational training with some short-term expert missions. The targets of this training are mostly technical staff on the provincial level, but also school directors and some technical staff on the district level. However, in the available documents it is not clear if there is a link to strengthening domestic accountability.

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<sup>19</sup> This was highlighted in comments provided on the first draft of this study. The authors propose to integrate information on the period of financing (Projektlaufzeit).

<sup>20</sup> This was mentioned in the comments received on the first draft. The authors propose to include information on the nature of this cooperation (type of activities).

<sup>21</sup> FASE donors are: Canada, Denmark, DFID, Germany, Ireland, Italy, Portugal, Spain, Netherlands, UNICEF, World Bank. Additional funds also received, but not through the SWAP, come from Islamic Development Bank, Kuwait Fund, Arab Bank for Economic Development in Africa.

The NGO DVV-International is also active in the sector with the FELITAMO project (2010-2012). Its purpose is to strengthen the capacity of national NGOs for monitoring the quality of the education system and enhancing domestic accountability in the sector, as well as their capacities to engage with stakeholders regarding the quality of literacy and adult education.

#### 4.6. Support for domestic accountability systems around budget processes, anti-corruption and tax reform

In the budget and budget support process, KfW is responsible for the disbursement of general budget support, and for financial aspects of the collateral programmes implemented by the GTZ, in support of the *Tribunal Administrativo*. KfW also cooperates with the political foundations in the training on the budgetary cycle for the political parties represented in the Assembly of the Republic and to civil society.

German support for the *Tribunal Administrativo* is both financial and technical. GTZ is responsible for the capacity development of the *Tribunal*. The purpose is to make the system for reviewing public accounts quicker, and promote public participation, by training new staff and helping to introduce new procedures. Changing existing legislation and re-organising the TA's structure are also objectives of this support. GTZ placed an international technical advisor in the *Tribunal*, and provides advice to the president of the TA, the judges, managers and auditors. Triangular co-operation between the *Tribunal Administrativo* and audit institutions in Germany and Brazil has been promoted, and study tours were organised for members of the Mozambican TA to Germany and Brazil. Co-operation with other institutions on the international level, such as the AFROSAI and the European Court of Auditors, has also been enhanced. According to GTZ, this has increased the audit capacity of the *Tribunal* and strengthened its relevance as an actor of domestic accountability. GTZ highlighted that this support has had positive effects in terms of anti-corruption. For instance the Public Prosecutor has often used the Tribunal's decisions to initiate legal procedures. The Tribunal enjoys enhanced interactions with Parliament, and its posting of the Annual Report on the General State Account on the internet has helped to open public debate. GTZ has also supported the effort to organise the *Tribunal*. So far, decentralised branches of the Tribunal have been opened in Nampula (on December 1, 2010, with the support of Dutch co-operation) and Sofala (a German focal province), where a branch is being built up and staff recruitment is ongoing. In addition to this, GTZ is supporting TA in the elaboration of the first simplified version of the Report and Opinion on the General Budget of the State<sup>22</sup>). This abridged version will be presented in a citizen-friendly format and target the general public.

KfW has financed training to the parliamentarians organised by the political foundations Konrad-Adenauer-Stiftung and Friedrich-Ebert-Stiftung. Civil society has also been trained on the budget and the budgetary cycle, thanks to a cooperation established between KfW and UNICEF. A national consultant (MB Consulting) has been providing the training sessions (see Box 1).

Germany also supports tax reform in Mozambique, providing financial support to the common basket fund for the Mozambican *Autoridade Tributária*. A 'Memorandum of Understanding on the Common Fund for the Implementation of the Revenue Authority' (2007 – 2010) was signed between the GoM and the donors. The common fund was established in order to make resources available to support the improvement and modernisation of the Mozambican Revenue Authority. In particular, a specific objective is to improve the collection of revenue in terms of absolute volume and in percentage of the GDP, by improving collection overall, broadening the tax base, and enhancing tax efficiency and justice. Germany has contributed to the

<sup>22</sup> Relatório e Parecer sobre a Conta Geral do Estado (RPCGE).



basket-fund since 2009 (see Table 1) and according to one of the interviewees there has been good increase in revenues since then.

Within the framework of efforts to combat corruption in the country, Friedrich-Ebert-Stiftung has been supporting the Centre for Public Integrity (CIP) for several years, financing several studies until 2009, and in 2010 supporting the development of the organisation's strategic plan. As aforementioned, CIP is monitoring the national budget and is the Mozambican NGO affiliated with Transparency International. FES financed a study of CIP on corruption that analysed the level of corruption in different sectors of the national economy. It is important to remember that CIP benefits from a common fund financed by several donors - DFID, Denmark, SDC, Dutch cooperation, SIDA and Norway - with the aim of supporting activities undertaken to promote transparency and fight corruption. No German intervention is foreseen at the moment. A new strategic plan is being set up and this may be supported by new actors, such as the Ford Foundation and the International Budget Project (IBP).

#### 4.7. Other interventions in support of domestic accountability

In addition to support for domestic accountability systems concerning the above mentioned policy processes, the following activities have been mentioned as particularly relevant for strengthening drivers of accountability and the emergence of domestic accountability systems.

- **Support for the media:**

As noted in Section 2, the regional Friedrich-Ebert-Stiftung 'Media Africa project' for South Africa, based in Windhoek, has worked in synergy with MISA to develop the African Media Barometer (AMB), the first in-depth and comprehensive description and measurement system for national media environments on the African continent. The FES and MISA have taken up the idea of the African Peer Review Mechanism (APRM) on good governance – highlighting that in the APRM African leaders did not include the media. In Mozambique, the AMB has been implemented three times already, and a fourth application is planned for 2011. The Mozambique office of the FES is involved in the preparation (selection of panellists, clarifying the methods, etc.) and implementation of the AMB, but the methods and indicators are developed by the staff based in Windhoek. The FES cooperates with the Mozambican delegation of MISA in distributing the AMB and follow-up activities.

The FES has a variety of other media-related activities: collaboration was established with the High Media Council and the SNJ (Union of Journalists) during the last elections, and activities (including training) involving journalists and independent media are carried out regularly. Currently, the FES and the SADC Parliamentary Forum are jointly preparing a training workshop for the parliamentary 'Committee on Media'. This is also part of the FES 'Media Africa project', as the FES Mozambique is the local implementing office.

Konrad-Adenauer-Stiftung also has a regional programme to support the media in sub-Saharan Africa based in Johannesburg. However, during the preparation of this study we did not come across with any specific action undertaken in Mozambique.

- **Other support for CSOs:**

Konrad-Adenauer-Stiftung is supporting the Youth Parliament of Mozambique (*Parlamento Juvenil de Moçambique*); it is not a real parliament, but an independent association of young people. In 2010 this association wants to establish a monitoring system for the government policies on education and housing, which are considered to be the most important issues for young people.



### Box 1 Case of practice: Capacity development for Parliament and CSOs on the budget and the budgetary cycle

In the context of accompanying measures for general budget support, KfW promotes a pilot project that aims to strengthen the capacities of civil society and Parliament to read, understand and analyse the national budget. This project is quite recent, and follows KfW's previous commitment to facilitate the dialogue between the GoM and donors to budget support in the context of the donor 'Budget Analysis Group' BAG. A national expert from MB Consulting provided the group with information on the different documents prepared by the GoM (Budget Execution Reports, National State Accounts, etc.). At the same time, the new donor agencies' employees in the country have been trained, in order for them to quickly come up to speed once they join the different WGs. Since 2010, KfW has asked MB Consulting to provide training to civil society (in synergy with UNICEF) and to the members of the national and provincial parliaments. Support to the parliaments, that focuses on the members of the 'Committee on Budget and Planning', has been delegated to the two political foundations, due to their previous experience with support to political parties and special links to those represented in Parliament (the FES with the party in power, and the KAS with the opposition parties).

In 2010 the Konrad-Adenauer-Stiftung organised seminars for the parliamentarians of both the **National Assembly** and the **provincial parliaments** (since these last have existed only since 2010, there has been only a first training for them). The content of these seminars focuses on the role of parliamentarians and on the budgetary cycle. These seminars are addressed to the parliamentarians from the opposition parties in the National Assembly (MDM, which has eight seats, and RENAMO, the historical opposition), and to members from both FRELIMO and RENAMO in the provincial assemblies. KAS is responsible for the general part of the training: local experts give training on the general role of members of the parliament (legal and political aspects), while the specific part on budgetary cycle is presented by MB Consulting's expert. In particular, impartial information was prepared to help the RENAMO members of the National Assembly to draw up their motivation to approve or reject the government's yearly General State Accounting report.

The Friedrich-Ebert-Stiftung has provided support only to the members of FRELIMO in the national Parliament. This is accomplished through three main actions. 1) Due to their well-established contact with this political party, the FES facilitated the meeting between KfW and the parliamentarians of the 'Committee on Budget and Planning' which resulted in the training provided by MB Consulting's expert. 2) They have supported the institutional development of the Committee. As Mozambique does not have a 'Public Accounting Committee', the 'Committee on Budget and Planning' is linked to SADCOPAC<sup>3</sup>, the regional association of 'Public Accounting Committees', and is obligated to participate in SADCOPAC meetings and workshops. The FES has supported this participation, as SADCOPAC is a partner organisation of the FES. 3) The FES organised a visit to Germany earlier this year for the newly elected head of the committee, Dr. Eneas Comiche, and for other members of Parliament to meet members of the German parliament involved in the corresponding committees (the Budget Committee, the Committee for Economic Cooperation, etc.) to discuss the role of such committees in general, and specifically the process of approving funds for development cooperation in Germany, as well as controlling the same funds in Mozambique.

In 2010, the training for **civil society** has been provided in synergy with UNICEF. Courses are given free of charge, with the aim of developing better understanding of the budget and the budgetary cycle within civil society, and to improve the interaction of civil society with the national Parliament (in particular the 'Committee on Budget and Planning'). The CSOs who benefit from this training are part of the Civil Society Budget Monitoring Forum (*Fórum de Monitoria do Orçamento* –FMO), created in 2010, a consortium of various non-governmental organisations involved in applied budget work and analysis in Mozambique. The FMO was created with the support of UNICEF's Social Policy Planning Monitoring and Information Unit, to address challenges in policy-making in Mozambique, in particular strengthening the voice of civil society in the budget process. More information on the functioning of this Forum is provided in Section 5.

#### 4.8. Complementarities and synergies between different actors and instruments of German development cooperation

The coordination and synergies among German actors intervening in support of domestic accountability in Mozambique have been described as good. The German Embassy leads the process that involves all German agencies, and also connects with the political foundations. All focal sectors work with an integrated programme proposal (*Gemeinsamer Programmorschlag*), combining and synchronizing German activities in the given sector, both in Maputo and in the provinces. Meetings take place regularly and information is exchanged on a regular basis. This enables coordinated efforts on the national as well as the local level, and for impact to be achieved on the political as well as societal level. Labor is successfully divided among the different agencies in relation to the donor working groups (for example, KfW participates in the economists group and the 'Budget Analysis Group', while GTZ attends the decentralisation and education groups). Thus, duplication of actions and repeated dispersal of information are avoided.

In regard to domestic accountability, complementarities are particularly strong within the framework of measures accompanying budget support and in the focal sector of decentralisation. Interlocutors emphasise that the broad intervention aimed at strengthening different actors (*Tribunal Administrativo*, Revenue Authority, Parliament and civil society), allows for systemic approach. In synergy with the Embassy, KfW plays a crucial role in giving coherence to all of the different interventions which have an impact on domestic accountability in the country. In the pilot project 'Capacity development for Parliament and CSOs on the Budget and Budgetary Cycle', KfW asked the political foundations to participate in order to harness their expertise and contacts with the political parties. The coordination between the KAS and the FES is good; they inform each other of their activities and sometimes organise events together.

In regard to decentralisation, the complementary intervention of German actors at the national and local levels, through both financial and technical support, makes the intervention coherent and comprehensive in the sense that it strengthens both the supply and demand sides of accountability, strengthening capacity and raising the demand for accountability at the same time.

There may be synergies between German NGOs that are working in the country on issues related to domestic accountability. However, these could not be further explored in the context of this study for lack of information.

## 5. The role of German support in wider efforts to support domestic accountability

As Mozambique is a country where the donor coordination process is at a very developed stage, especially around budget support, German actors are able to work in high synergy with other donor agencies present in the country. In particular, they have close links with agencies active in the same focal areas, such as decentralisation, education, and support to the supreme audit institution.

In this section we will first show what complementarity and synergy exist; we then will describe the approaches of those donor agencies whose interventions are most complementary to those of the Germans, highlighting similarities and differences that were pointed out by the interlocutors. Then, we will make some suggestions on how these complementarities may be enhanced in order to make the support to domestic accountability more effective.

### 5.1. Complementarities and synergies between German development cooperation and the assistance of other donors

Within the framework of the G19 and the Programme Aid Partnership (PAP), we can count around 30 joint working groups on specific topics distributed around the 3 main pillars of the PARPA II:

1. Macroeconomics and Poverty: groups on PFM, budget analysis, tax reform, audit, etc.
2. Governance: groups on decentralisation, public sector reform, justice reform.
3. Human Capital: groups on education, health, etc.

All these groups are led by a representative of a governmental institution, while one or more donors rotate every one or two years as the 'focal point' for the group. Civil society has been included only marginally. Representatives are sometimes invited as observers to some group meetings, although the regularity of these invitations varies from group to group, and depends on several matters (type of meeting, sensitivity of the issue, etc.). Some of the persons interviewed argued that these working groups are not the best forum for including civil society, because they are very technical and there is not much space for discussion (in the main, financial decisions are made), but that it is certainly important to create other places for discussion with civil society.

German actors of development cooperation participate in the working groups that interviewees regarded as most relevant for the topic of domestic accountability. These are: the Budget Analysis Group, where the EC delegation and the Italian cooperation are donor focal points; the Audit Group, which focuses on joint support to the *Tribunal Administrativo*, where the Dutch cooperation is the focal point; the Group on Decentralisation, where GTZ is the donor focal point; the Group on Education, where Ireland is the donor focal point; the Group on Tax Reform and the Group on Financial Sector. In the last two, KfW is presently the donor focal point. All these groups try to involve civil society. Donor representatives emphasised that participation in these working groups is crucial for ensuring coordination, complementarities and synergies with the activities of other donors.

As a consequence of the regular exchange that takes place with these groups, there is particularly strong cooperation and coordination between German development organisations and the following agencies also active in supporting domestic accountability.

- **The Embassy of the Netherlands** makes a financial contribution to budget support, to the Education Sector Support Fund (FASE), and to the basket funds benefiting the National Programme for Decentralised Planning and Finance (PNFPD); the *Tribunal Administrativo*; the Centre for Public Integrity (CIP). The Embassy's economist is the focal point for the working group on Auditing. Synergetic work is done with SNV in the context of the decentralisation programme in the province of Nampula.
- **The Swiss Agency for Development and Cooperation (SDC)** is one of the longest-time donors for budget support in Mozambique and is very active in supporting the decentralisation process, both contributing to the basket fund for the National Programme for Decentralised Planning and Finance (PNFPD), and promoting the participation of civil society through the 'Initiative of Monitoring Local Governance', in the provinces of Cabo Delgado, Gaza, Sofala (this last is a German focal province as well). SDC also provides financial support to the Centre for Public Integrity (CIP), through the common basket fund, and to the Media Institute of Southern Africa (MISA).
- **The Delegation of the European Commission** makes an important contribution to budget support and is the donor focal point for the Budget Analysis Group. It also seeks to strengthen demand for domestic accountability through support to civil society and is involved in decentralisation by supporting local authorities. Although the EC's internal procedures do not allow participation in basket funding, an exception may be made in the case of Mozambique.
- **UNICEF** participates in the Budget Analysis Group and has helped to establish the Civil Society Budget Monitoring Forum (FMO); the UN Agency does capacity development of some Mozambican NGOs in the area of the budgetary cycle (in synergy with KfW) and has helped them preparing budget briefs. UNICEF also participates in the Education Sector Support Fund (FASE).

In addition to these actors, the following agencies were mentioned during the interviews as working in complementarity with German development actors in support to domestic accountability: DFID, who chairs the Troika of the G19 from June 2010 to May 2011, is presently responsible for the monitoring of the implementation of the MoU for budget support; Irish Aid, which chairs the governance pillar and is the donor focal point for education; the World Bank, which is active in the central provinces of the country, and in the education sector; Finland and Sweden, who provide financial support to the *Tribunal Administrativo* through the basket fund. DFID and Irish Aid also support civil society through the financing of the Mechanism to Support Civil Society (MASC). All of these agencies provide general budget support.

Regarding assistance to Parliament, some interviewees mentioned the following international organisations as active actors in the field: the UNDP, AWEPA, the Netherlands Institute for Multiparty Democracy, the National Democratic Institute (NDI), and the Westminster Foundation for Democracy. The activities of these organisations have been considered complementary to those of the German political foundations. KAS and FES regularly participate in information meetings held up to three times a year with all the above-mentioned institutions, in addition to KAS and FES. A more substantial cooperation is established among UNDP, the SADC Parliamentary Forum and Friedrich-Ebert-Stiftung in the support of parliamentary benchmarking process. This cooperation takes place on the Southern African level. At the present time, the Westminster Foundation's main objective is to create an 'Institute for Parliamentary Training', in order to make training more sustainable and accessible to the largest number possible. This project is considered very important by some interviewees, and other donors may envisage supporting it.

## 5.2. The Embassy of the Netherlands

The Embassy considers domestic accountability to be the core element of all their interventions in the country, related either to the provision of budget support (as in support to the *Tribunal Administrativo*), or to the focus sectors of Dutch cooperation: water, with a particular focus on the local level, where domestic accountability issues are considered especially important; education, although the Netherlands is leaving this sector at the end of this year; and health (in the related working group the Embassy of the Netherlands is donor focal point for two years).

In addition to this, domestic accountability is a central issue in the support provided to the province of Nampula. This support, which is linked to the National Programme for Decentralised Planning and Finance (PNPFD), is established through a MoU signed with the government of the province for a period of four years. Domestic accountability is a central issue in the support activities provided both to governmental institutions (supply side) and to civil society (demand side). They have also helped in setting up the *Tribunal Administrativo*'s branch in Nampula.

According to the view of the Head of Cooperation at the Embassy of the Netherlands, the comparative advantage of their approach intervention is the mainstreaming of domestic accountability in the country strategy and the sectors they are working in. According to the experiences, having this clear objective from the beginning has been fruitful in terms of impact, in particular in the area of decentralisation. All interventions in this area have the clear objective of strengthening the demand for and supply of domestic accountability.

There is a clear difference of approach between Dutch and German development cooperation with regard to technical assistance. The representatives of the Embassy interviewed considered that domestic accountability and transparency could best be strengthened by providing financial assistance and separating it from technical assistance. This would enable the partners to make an assessment of their real needs, to choose for which areas technical assistance for capacity development would be needed, and which organisation would be best placed to provide this assistance. The Embassy therefore makes a financial contribution to many basket funds provided in the area of domestic accountability (e.g. the Education Sector Support Fund – FASE; the common fund for the *Tribunal Administrativo*; the basket fund of the National Programme for Decentralised Planning and Finance – PNPFD; the basket fund for the Centre for Public Integrity – CIP). The recipient is provided with the option to use part of the funds for advisory or capacity development services that could be delivered by local or international capacity builders (consultants, think tanks, development organisations specialised in capacity building and so on). Our Dutch interlocutors felt that their approach was more appropriate in the context of a shift towards programme-based approaches and could enhance ownership of assistance.

The Embassy of the Netherlands made a deliberate choice to focus support to decentralisation on one province, because this would allow them to follow a systemic approach that reached out to a broad set of potential drivers of domestic accountability (local governments, the deconcentrated state administration, a range of CSOs, and the local branch of the *Tribunal Administrativo*). Support aims at strengthening both the demand and the supply side of domestic accountability. A disadvantage of this geographically focused approach is that it does not allow any comparisons with other areas. This is why the Embassy of the Netherlands and SNV are interested in exchange of experience, dialogue and cooperation with other donor agencies.

### 5.3. The Swiss Agency for Development and Cooperation

Local governance is one of the focal areas of the Swiss intervention in Mozambique. In this area, SDC aims at reinforcing Mozambican actors and mechanisms for domestic accountability. This is done primarily through:

- Support to municipalities / district governments: through financial support to the National Programme for Decentralised Planning and Finance (PNFPD);
- Support to civil society actors through the 'Initiative of Monitoring Local Governance'.

Within the 'Initiative of Monitoring Local Governance', the SDC has promoted the participation of civil society in monitoring the implementation of the local development plans produced in six districts and three municipalities (two districts and one municipality each in the provinces of Cabo Delgado, Gaza and Sofala). This initiative received US \$1.2 million over three years (2008-2010). The first phase was completed in August 2010 and following a positive feedback on the achieved strengthening of domestic accountability, a second one is being formulated. Four national NGOs, the Centre for Public Integrity (CIP), the Mozambican Debt Group (GMD), the *Liga Moçambicana dos Direitos Humanos* (Mozambican Human Rights League), and the *Associação Moçambicana para o Desenvolvimento e a Democracia* (Mozambican Association for Development and Democracy – AMODE), have been involving the population in the process of monitoring the implementation of local development plans. This has been done to build a culture of citizenship at the base and a demand for accountability. In the new phase, the number of targeted municipalities might be increased, and academic institutions such as the Institute for Social and Economic Studies (IESE) might be involved in the Initiative, with the aim of producing analysis and research, while CIP and AMODE will continue monitoring the implementation of district and municipality development plans. Based on the information available, it appears that the Swiss agency for Development and Cooperation focuses on involving the participation of population and civil society in all the local development cycle in a few numbers of municipalities (three) and districts (six).

### 5.4. The Delegation of the European Commission

The European Commission is the second donor in the provision of general budget support in Mozambique, after the World Bank (the EC commitment for 2011 is US \$71.4 million, while the Washington-based institution is committed for US \$85 million; the UK is in the third place with US \$71.1 million). In the Country Strategy Paper 2008-2013, emphasis is given to the strengthening of domestic accountability.

In the framework of the donor 'Budget Analysis Group', where the EC is the group's focal point, dialogue with the parliamentary 'Committee on Budget and Planning' has been enhanced. This cooperation is more fruitful since the committee has acquired a new president. The EC is also financially supporting the Ministry of Finance and Planning with regard to the document 'Joint Assessment of Budget and Planning'. The delegation has been trying to involve civil society in this assessment, but for various reasons (mostly lack of capacity of the organisations in the area of budget and PFM) this has been difficult. However, the EC has made this assessment available to the network of CSOs supported by UNICEF.

Regarding support for the *Tribunal Administrativo*, the EC will join the common fund, as it is a general policy for the EC to support auditing institutions in partner countries.

Support to civil society and some local authorities has been provided through EC budget lines: European Initiative for Democracy and Human Rights (EIDHR); Non-State Actors and Local Authorities in

development; the 9<sup>th</sup> and soon 10<sup>th</sup> EDF (non-state actors budget line). Beneficiaries of this support include Mozambican CSOs and international NGOs. Most of these organisations focus on delivery of services (agriculture, human rights, democratisation etc.). However, the ECD has been trying to focus more on the few of them that also work on advocacy (anti-corruption, policymaking), because the impact of CSOs on policy processes, especially the budget, is still limited. The ECD reaches all the provinces with its various budget lines, and it tries to have geographical coherence. Some provinces may soon be targeted as pilot provinces. The media received support some time ago, through a contribution given to the MISA Delegation of Mozambique.

The representative of the EC interviewed raised some concerns on some aspects of German and other co-operations' support for domestic accountability. For example, the value of the training for the parliamentarians on budget is questioned, since in the end parliamentarians cannot say much because of the marginal and party-controlled role of the Assembly. Another issue raised is the sustainability of the CSOs, once the donor support finishes. Moreover, the interlocutor of the EC accentuated that support of domestic accountability, a topic which is very high on a lot of donor agency agendas, is a relevant issue but insufficiently coordinated, and that the EC Delegation can play an important role there.

## 5.5. UNICEF

As noted in Section 3, UNICEF has supported Mozambican civil society in strengthening capacity and participating in the budget process. In 2010, UNICEF promoted the creation of the Civil Society Budget Monitoring Forum (*Fórum de Monitoria do Orçamento* – FMO), a consortium of various non-governmental organisations (NGOs) involved in applied budget work and analysis in Mozambique. UNICEF supports this Forum with a view to stimulate stronger and more meaningful participation from a broader set of civil society actors, thereby shifting government accountability back to Mozambicans, and not only to donors.

The forum builds on existing social budgeting and PFM initiatives in Mozambique by: (a) dividing labor according to skills, experience and expertise across member institutions in order to ensure high quality output, and (b) coordinating which issues public debates should focus on, thereby gaining a better position – and concerted “legitimacy” – for influencing policymakers towards better decisions.

UNICEF has done a lot in synergy with German development actors, especially KfW, within the framework of the ‘Budget Analysis Group’ and since the creation of the Forum. For instance, KfW asked UNICEF to identify for them the CSOs working on budget issues, and these have benefited from the KfW-financed training on the Budget and Budgetary Cycle.

## 5.6. Scope for enhancing complementarities and synergies: opportunities and challenges

It is clear that domestic accountability is very high on the agenda of many donor agencies. However, although some of the donor working groups created around general budget support deal with issues related to domestic accountability, many donors stressed that coordination of donors' activities and interventions on this topic is still insufficient. From interviews, it seems that only Embassy staff or members of coordination groups are aware of other donor agencies working on the same issues. The following donors were identified by the interviewees: the Nordic countries, Germany, Ireland, Canada, Netherlands. There are some examples of joint action, for example the case of basket funding provided to the Centre of

Public Integrity (CIP). However, in the view of many people interviewed aforementioned countries, which seem to share the same vision and approach to the topic, could step up joint efforts to promote domestic accountability and its drivers.

In particular, a number of interlocutors argued that support to domestic accountability disproportionately focuses on governmental institutions, such as the *Tribunal Administrativo* and the different ministries (Education and Culture, Planning and Development, etc.). In particular, pointing to the many donors who have provided support to the *Tribunal Administrativo*, that benefits from a basket-fund financed by four countries (Finland, Germany, Netherlands, Sweden) that will be joined by the European Commission in 2011, some interlocutors expressed the view that this institution is overfunded<sup>23</sup>. There was a general feeling that more efforts should be made to strengthen the role of other (potential) drivers of domestic accountability, in particular political parties, Parliament, independent media, research institutions and think tanks, and other civil society organisations. Interlocutors also argued that more support should be directed toward strengthening a culture of citizenship. In this context, a Mozambican actor proposed to consider innovative systems, which inform citizens about relevant decisions taken by the GoM. For example, mobile phone text messages to update the general population about important contracts signed or crucial documents such as the audit reports of the *Tribunal Administrativo*.

Many interlocutors acknowledged the added value of the support given by the two German political foundations (KAS and FES) to the political parties, especially on PFM and budgetary issues. They emphasised that many bilateral donors could not engage directly with political parties and recognised that the 'room for manoeuvre' was limited due to the dominant role of FRELIMO. Most interviewees felt that support to domestic accountability systems should extend to political parties to the extent possible for example by focusing on strengthening dialogue and collaboration between Parliamentarians, the *Tribunal Administrativo* and CSOs around budget processes or sector strategy debates.

Media organisations are seen as crucial for enhancing transparency of political decision-making and information of citizens but it seems that few bilateral donors systematically consider media as a potential driver of domestic accountability in programme design. Many interlocutors stated that more could be done to strengthen the role of media in domestic accountability systems around the above mentioned policy processes. They highlighted that independent media were the only drivers of accountability that had been able to survive on their own means (advertising). Therefore care should be taken not to undermine these self-financing capacities by providing financial support. Priority was given to the development of investigative journalism and strengthening the role of media as a conveyor of public debates.

In particular, Mozambican interviewees expressed the view that academic and policy research institutes deserved more attention in donors' efforts to strengthen drivers of domestic accountability. As pointed out in interviews, Parliament does not have own research services yet and thus has to rely on external sources. However, capacities for evidence-based policy research were still rather weak, and linkages between parliamentarians and the researchers regarded as 'under-developed'. Policy dialogue and the public debate on corruption were identified as areas that could substantially benefit from research and policy advice provided by Mozambican institutes.

Most of the interviewees at the national level, and from donor agencies, stress the need to harmonise support to civil society organisations. In their opinion, there is a proliferation of donor mechanisms, as a

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<sup>23</sup> In the view of the GTZ technical adviser at TA this is not the case. He argued that even when including the EU contribution for 2011, the total contribution of these countries to the TA for the period 2011-2014 is not sufficient to cover the expenditures as foreseen in the new Corporate Plan (PLACOR II) for the period 2011-2014.



result of disparate donor support, each with divergent procedures. Moreover, it was proposed that support to civil society focuses on the following objectives:

- Strengthening its advocacy role and skills;
- Development of technical capacity, especially on PFM and budgetary issues. Approaches already promoted have had positive impact, therefore they should be continued;
- Creating and reinforcing links with Parliament;
- Promoting dialogue of civil society with the GoM;
- Making the organisations financially sustainable, and not dependent on donors' aid.

Initiatives such as the Civil Society Budget Monitoring Forum are important for increasing civil society's engagement in monitoring budget issues, but their sustainability should be analysed before investing significantly in an intervention that may not last over time.

According to the interviewees, coordination in the sector of decentralisation also needs to be improved, and the most innovative and successful approaches divulged and replicated. A Mozambican actor stated that donors could play an important role in establishing an information system. She pointed to the problem that information on new laws, regulations and budget allocations is often not available or misunderstood at the provincial and municipal level. This could enhance the ability of provincial Governors to exert their fiscal competence and strengthen capacities of the provincial assemblies to monitor the governors' action.

## 6. Conclusion

Mozambique has been a multi-party democracy since 1994, when the first presidential and legislative elections were held. In practice, FRELIMO has dominated the political scene and the party's internal mechanism defines the institutional and informal relations among all the actors, endangering the system of 'checks and balances' outlined in the Constitution. The weakness of the opposition has hindered the development of coherent national debate on government action and policies. This jeopardises the possibility of a more transparent and accountable government, able to fight corruption.

However, there is some evidence of possible change: opposition party RENAMO parliamentarians have started raising issues in the media; the rise of the new MDM party on the scene has engendered optimism; even some FRELIMO's members have started questioning the party's decisions. The weak capacity of parliamentarians in the area of budgetary procedures, however, is a constant challenge to this fragile improvement. Efforts are already being made by two German political foundations and a few more international agencies (Westminster Foundation for Democracy, UNDP) to strengthen capacity of the political parties and to improve the Parliamentary process.

At the same time, the *Tribunal Administrativo* (supreme audit institution) plays an important and independent role in publicising its annual evaluation of the national budget and provided recommendations. Donor support, and in particular German financial and technical assistance, have increased the capacity of the Tribunal, that in 2010 will be able to complete over 600 audits (in 2005, the year it started auditing, 5 audits were effectuated). The media, which enjoys relative freedom, is influential in disseminating this information. Civil society is equally gaining importance, supported and orientated at the national and local level by a few donor agencies. These are actors that can play a crucial role in counter-balancing the powerful executive. Although some of them have performed in a stronger manner (such as the Tribunal and the media), and some other in a weaker way (Parliament, civil society), they all can make a change if properly empowered. A sign of real improvement is the sanctioning by the *Tribunal Administrativo* of 500 public officials, calling them to account for corrupt practices.

In this context, supporting these drivers of domestic accountability seems to be crucial. Donors who aim at improving the governance system while delivering aid to the country should play a role in this. It is advantageous that German development cooperation, through the collaboration of KfW with the political foundations FES and KAS on capacity development for parliamentarians and CSOs on the budget and budgetary cycle, is tackling this core issue. There is room to expand this process and harness the experience of the foundations. A coherent intervention strategy in synergy with the other international actors would be beneficial to the entire capacity-development process.

However, there is a danger that the parliamentarians do not feel an ownership of this process of change, which is spearheaded by donor agencies. This has consequences on the sustainability of the entire process and ramifications for the future strength of the parliamentary process as a whole. The proposal of the Westminster Foundation to create an 'Institute for Parliamentary Training' may therefore be an entry point for joint and coordinated action of the different institutions, allowing greater impact to be achieved. As the interlocutor of Konrad-Adenauer-Stiftung noted, this would be one way forward. The key challenge then would be to design a programme that is balanced, accessible and tailor-made to the needs of all parliamentary groups.

Donor support to the decentralisation process has been important but further steps towards harmonisation and coordination are necessary, in order to make sure that this process is owned by the local and national actors and therefore becomes sustainable.

In addition to these, there are some other relevant initiatives of German development cooperation that may have an impact on domestic accountability, even though interlocutors did not immediately relate them to the topic of domestic accountability (for example support to education at the provincial level). A clear overarching strategy for domestic accountability in the strategy papers and programme documents would help in mainstreaming the issue throughout all the interventions undertaken by German development cooperation in the country. It would also raise awareness among the various intervention actors. Other donors, such as the Embassy of the Netherlands and the Swiss development cooperation, have already made efforts to mainstream domestic accountability in strategy papers. Consequently, the objective to strengthen domestic accountability is systematically incorporated in projects and programmes.

The comparative advantage of German development cooperation, however, is the articulation among different agencies and foundations that allows a larger audience of potential drivers of domestic accountability to be reached. Donor representatives considered better coordination and harmonisation as highly desirable. A first step in this direction could be the establishment of a working group on domestic accountability as a platform of exchange on experiences and policy dialogue on this specific theme. Other steps could involve joint studies, analysis of domestic accountability systems and joint common funds (for capacity-development of NGOs and parliamentarians, for example). The German development cooperation may play a role in this.

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Programme Aid Partnership: [www.pap.org.mz](http://www.pap.org.mz)

## Annex: List of interviewees

Name	Institution	Function
<b>German bilateral cooperation</b>		
Mr. Rudolf Huber	BMZ (HQ)	Desk officer Mozambique
Ms. Ute Heinbuch	BMZ/German Embassy	Development Counsellor
Mr. Ralf Orlik	KfW	Country Director Mozambique
Ms. Claudia Maennling	GTZ	Coordinator Focal Sector Decentralisation
Mr. Gert Flaig	GTZ	Coordinator Focal Sector Education
Mr. Carlos Mauricio Cabral Figueiredo	GTZ	Technical Adviser at Tribunal Administrativo (SAI)
<b>German political foundations</b>		
Ms. Annette Schwarzbauer	Konrad-Adenauer-Stiftung	KAS representative in Mozambique
Mr. Manfred Öhm	Friedrich-Ebert-Stiftung	FES representative in Mozambique
<b>Other donors</b>		
Ms. Natalia Adler	UNICEF	Planning Officer, responsible for support to Budget Monitoring Forum of Civil Society (FMO)
Mr. Salvador Forquilha	Swiss Development Cooperation	Programme Officer for Governance
Mr. Wim Ulens / Ms. Olívia Gervasoni	European Commission	1. Responsible for macroeconomic support and PFM 2. Responsible for demand-side governance
Mr. Paul Litjens / Ms. Christine Pirenne	Embassy of the Netherlands	1. Head of Dutch Development Cooperation 2. Economist
<b>Partner organisations</b>		
Mariam Umarji Bibi	MB Consulting	National Consultant for KfW and UNICEF on Capacity Building in Budget to Parliament and Civil Society
Marcelo Mosse	Centre for Public Integrity (CIP)	Director
João Pereira	Civil Society Support Mechanism (MASC)	Director
Karina Cabral	Mozambican Group of Debt (GMD)	Programme Officer

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