



MARCH 2011

## Slow Progress towards Democratic Ownership in Mozambique

Javier Pereira, based on consultancy work by Mariam Umarji

This Policy brief is part of a set of policy briefs on Democratic Ownership prepared by Alliance2015 towards the High Level Forum in Busan in 2011. The policy briefs analyse progress towards democratic ownership, particularly civil society space and participation in policy and aid dialogues in Ghana, Tanzania, Mozambique, Cambodia and Nicaragua.

## Slow Progress towards Democratic Ownership in Mozambique

### 1. Introduction

In many countries, the Paris Declaration and the Accra Agenda for Action have contributed to the expansion of the political space available to civil society, which has thus led to greater democratic ownership. However, in Mozambique, progress has been limited. Over the last few years, donors have supported and strengthened civil society organisations (CSOs), who have started to participate in multi-stakeholder consultations. Unfortunately, this brief shows that CSOs are excluded from real decision-making processes and that their influence on development policies remains weak.

The lack of more substantial progress can be partially explained by the relatively short period of stability Mozambique has enjoyed since the end of the civil war. Institutional, social and political changes often require some time to take root. Nonetheless, this country brief also highlights several areas where both the Government and donors are hindering progress towards democratic ownership.

### 2. An enabling environment for civil society

The 1990 Constitution created a favourable framework for fundamental political changes in the country, including the introduction of a multi-party system, the establishment of neo-liberal policies and the right to freedom of expression and association. This in turn established a solid foundation for citizens to be able to express themselves, to participate in decision-making processes and to demand accountability and good management from the public sector. Considering the situation of the country at the end of the civil war in 1992, progress has been significant, but substantial obstacles remain.

Despite the relatively open constitution, the narrow political space is a major problem for CSOs seeking to engage in development processes. The ruling party still holds a firm grip on power and, according to DFID, "accountability mechanisms such as Parliament, the media and civil society remain weak, Maputo-centric and ill-equipped to provide a serious challenge."<sup>1</sup> After the 2004 elections, there were claims that "political activities outside Frelimo [were] under strict and permanent supervision by the party's local structure and the local administration, particularly in the rural districts outside the city of Maputo."<sup>2</sup> More recently, donors' growing concerns about the increasingly important role of the ruling party (Frelimo) in the state, as well as the high levels of corruption and controversial political practices in the last run-up to elections, prompted them to issue a very critical statement and even to suspend budget support disbursements.<sup>3</sup>

<sup>1</sup> DFID (2010) DFID's Mozambique country programme 2006-2009. Department for International Development, Evaluation Report EV712.

<sup>2</sup> Bertelsmann Stiftung (2009) BTI 2010 — Mozambique Country Report. Gütersloh: Bertelsmann Stiftung

<sup>3</sup> See the following group of press clippings: <http://www.open.ac.uk/technology/mozambique/pics/d119866.pdf>

In addition, the existing legislation makes it cumbersome, complex and expensive to register an organisation. For instance, a minimum of ten people is required to start the process and all of them have to submit a criminal record, which is extremely difficult to obtain.<sup>4</sup> Moreover, access to tax breaks is only granted after the organisation is recognised as being of “public utility”. The problem is that only the Council of Ministers can make this decision, which makes it very hard to procure. In practice, this means that many civil society groups are still represented by unofficial organisations. Following the publication of the CIVICUS Civil Society Index in 2007,<sup>5</sup> the *Fundação para o Desenvolvimento da Comunidade* launched a review process. The review was completed in 2009 and presented at the Ministry of Justice and the Parliament in 2010 with positive results. However, there are concerns that the new law may never be passed.<sup>6</sup>

The problems linked to the lack of an enabling environment are further accentuated by internal problems within CSOs. The short history of civil society activism in Mozambique frequently leads to major obstacles in terms of the capacity, governance and management of CSOs. Significant differences exist between service delivery organisations, which have a longer history and a well-established role in society, and human rights, anti-corruption and advocacy CSOs, which usually operate in a less welcoming environment.

Another consequence of the relatively brief life of CSOs is that existing organisations are usually small and lack clear coordination structures, which brings about high levels of fragmentation and an absence of strong grass-roots support. The September riots, triggered by rising living costs, are a sad example of this. Violent protests were particularly intense in Maputo and forced the Government to withdraw some of the increases in food and fuel prices. Similar protests took place back in 2008. In both cases, the civil society movement did not have any visible interlocutors and lacked a clear programme and organisation. According to the UNDP, this is an “important sign not only of the gap between formal institutions (including donors, the Government and its political opposition) and the 'unorganized' expression of civil society, but also of the long journey that the CS still has to make in order to build a pacific, yet strong voice to represent their claims.”<sup>7</sup>

Despite these obvious problems, CSOs are increasingly involved in consultations with Government and donors, though these meetings are usually informal and not meaningful (see next section for further details). Donors have been especially active in implementing CSOs' capacity-building and funding programmes. A few years ago, donors set up a USD 13 million five-year civil society support mechanism (MASC). More recently, the Swedish Government, Oxfam NOVIB, IBIS and Diakonia have launched the *Programa AGIR* (Program for an Inclusive, Responsible Governance). This Programme has a USD 50m budget for five years,

<sup>4</sup> UNDP (2011) *The Mirror of Narcissus – Knowledge and Self-consciousness for a better development of the Mozambican Civil Society*. UNDP, Mozambique

<sup>5</sup> FDC (2008) *Index of Civil Society in Mozambique 2007. Mozambique Civil Society Within: Evaluation, Challenges, Opportunities and Action*. FDC, Mozambique

<sup>6</sup> See endnote 4

<sup>7</sup> See endnote 4

and its goal is to reinforce “the capacity of local civil society organizations to influence development processes, demand accountability and respect for human rights”.<sup>8</sup>

Appropriate funding is essential to enable CSOs to engage with other development actors in democratic processes and the increase in donor funding will surely contribute to greater CSO participation in the future. However, most of these funds usually target a handful of the larger Maputo-based organisations and have little impact on other regions or on rural areas. For instance, the Civil Society Index 2007 concluded that 1% of the CSOs (approximately 50 organizations) receive 42% of the total financial resources.<sup>9</sup> While reinforcing national-level and umbrella organisations is important, it is difficult to ensure truly democratic ownership without regional and local participation in development processes. Other problems linked to the reliance on and importance of donor support to CSOs include mistrust among politicians, especially when they maintain positions which are critical towards the Government, and financial sustainability issues in the long term.

Following the reasoning at the beginning of this section, it can be concluded that Mozambique shows signs of an incipient, yet immature, civil society. The essential democratic role of civil society, represented by CSOs, has started to permeate existing political and social institutions, but it is not yet deeply rooted among politicians and citizens. The main challenges are to create or expand an enabling environment at the regional and local level, which funding rarely reaches, where the Government’s grip is much stronger and where a lack of capacity is a much more acute issue.

### 3. Ownership, Accountability and Participation

Despite not enjoying an ideal enabling environment, the participation of CSOs in policy implementation and monitoring seems to be following a positive trend. In response to the demands of CSOs to formalise civil society participation in development processes the Government set up the Development Observatories (DOs) –initially called Poverty Observatories - in 2003. In 2005, these were extended to a number of provinces. The Observatories are a consultative forum which monitors the implementation of the National Poverty Reduction Strategy (PARPA) and includes civil society representatives. Given their structure, the DOs were welcomed because of their potential to give a voice to civil society in development processes, but they have been overshadowed by the dialogue between donors and the Government and thus their potential has not been fully realised.

The main problem with the DOs in Mozambique is that they are not perceived by the Government and its international partners as a social accountability mechanism, but only as an instrument for consultancy purposes with no power for negotiation. The Observatories are often presented as an opportunity to share information and promote dialogue, which sounds good enough. However, since the information is often provided at a later stage in planning

<sup>8</sup> See the following note from the Swedish Embassy: [http://www.swedenabroad.com/News\\_\\_\\_\\_9004.aspx?slaveid=109103](http://www.swedenabroad.com/News____9004.aspx?slaveid=109103)

<sup>9</sup> See endnote 5

and with no intention to contribute to policy-making, citizens have little opportunity to influence the programmes allegedly designed on their behalf. As a consequence, an increasing number of CS activists are disenchanted with the DOs.

The case of the Development Observatories is a clear example of the interaction between Government and civil society in Mozambique. The invitations for civil society participation are not usually meaningful. In the words of the Bertelsmann Stiftung, “the Government’s calls [for] participation are in reality often invitations for acclamation only.”<sup>10</sup> In addition, independent CSOs usually have to defend their objectives and activities against state and party interference and mistrust. Donors try to compensate somewhat for the uneven playfield by encouraging CSO participation. For instance, the budget support donors or Programmatic Aid Partners (PAPs) often insist upon a close relationship with CSOs as part of their dialogue with the Government.

As mentioned in the previous section, at the local level, the situation is especially difficult due to the lack of capacity, funding for CSOs and tighter Government control. However, the situation is definitely improving. The Law on Local State Bodies (nº 8/2003) known as LOLE (*Lei dos Órgãos Locais do Estado*) was aimed at bringing the public administration closer to the citizens by increasing civil participation in the management of public affairs. The LOLE formalizes district consultation through the Consultative Councils, effectively decentralising power and resources to local authorities. To date, progress has been slow –especially when it comes to the decentralisation of power- and the councils still face many challenges, including strong party influence and even a lack of literacy among its members.<sup>11</sup> But, provided that these obstacles can be overcome, they can become an excellent instrument to foster a bottom-up approach to development and boost democratic ownership in Mozambique.

The role of the Parliament in development processes is weak. The existing Constitution limits parliamentary competencies and tips the balance of power in favour of the Government. Moreover, the Parliament is dominated by the Frelimo party, which clearly makes it difficult for it to hold the Government to account.<sup>12</sup> Only a few Members of Parliament have the skills to effectively scrutinise the Government’s programmes and budget; and this lack of capacity also prevents Members of Parliament from monitoring activities and programs in their own constituencies.<sup>13</sup>

In general, the engagement of CSOs and Parliament in development processes is limited in Mozambique. Some progress has been made and some important steps, such as the Consultative Councils, have been taken. However, both civil society and Parliament are mere observers in development processes, and achieving democratic ownership in Mozambique is still a distant goal.

<sup>10</sup> See endnote 2

<sup>11</sup> See: NORAD (2008) Citizens’ Voice and Accountability Evaluation. Mozambique Country Case Study. Final Report; and the following piece of news: <http://www.portaldogoverno.gov.mz/noticias/educacao/agosto-2010/inhambane-alfabetizacao-dos-membros-dos-conselhos-consultivos/>

<sup>12</sup> Frelimo has 191 seats, Renamo 51, and MDM 8

<sup>13</sup> See endnote 2

#### 4. Aid and budget transparency

Transparency is an area where mixed progress has been made in Mozambique. Donors have made significant efforts to make aid more transparent, but they are still short of meeting their commitments on predictability and the use of country systems. Moreover, important transparency gaps still hold back Mozambique's budget process.

Originally funded by the European Commission, ODAMOZ is an online database that regularly records donors' commitments and disbursements at the project level. Though information is not always accurate, it has helped to increase transparency about the flow of aid. In addition, the database has recently been linked to the Government's financial administration system, which should contribute to the improvement of budgetary planning and spending.<sup>14</sup>

The transparency of Mozambique's budget is a more challenging issue. At the national level, both CSOs and the Parliament are limited by lack of political space and/or capacity to scrutinise the budget. In practice, the budget is negotiated between the Government and donors. The parliamentary vote is little more than a formality to give it the stamp of approval. At the local level, the problem is more acute. A study conducted by Alliance2015 and the Informal Governance Group mentions that some interviewees had to face several problems, "including intimidation and lack of collaboration of local authorities, lack of publication of information about local taxes and public officials reluctant to share information."<sup>15</sup>

However, not all the blame should be placed on the Government. Some of the problems with the budgetary process and its execution can be attributed to the lack of predictability of the disbursements. When aid does not arrive on time it is very difficult for the Government to develop or even spend the budget. For example, in 2007 the Global Fund - the largest donor to the health sector - disbursed 54% of its aid during the last month of the year, making it impossible to spend it in that year.<sup>16</sup> The failure of donors to fulfil their commitment to provide "regular and timely information on their rolling three-to-five-year forward expenditure and/or implementation plans" also undermines the Government's medium-term planning.<sup>17</sup>

In the Paris Declaration and the Accra Agenda for Action, donors also committed to "use country systems to the maximum extent possible" and make them their first option.<sup>18</sup> The idea behind these commitments is to improve budget planning and strategic investments, and to allow parliaments and civil society to monitor spending. Unfortunately, donors are far from meeting their commitments in Mozambique, where nearly half of all aid does not use country systems.<sup>19</sup> By bypassing country systems, donors fail to reinforce democratic accountability systems and make the monitoring of aid flows much more difficult for civil society and Parliament.

<sup>14</sup> Informal Governance Group and Alliance2015(2010) Aid and budget transparency in Mozambique. Constraints for Civil Society, the Parliament and the Government. Informal Governance Group and Alliance2015

<sup>15</sup> Ibid

<sup>16</sup> Ibid

<sup>17</sup> See Accra Agenda for Action, para. 26

<sup>18</sup> See Paris Declaration, para. 21 and Accra Agenda for Action, para. 15

<sup>19</sup> See endnote 14

## Conclusions and recommendations

Over the last 20 years, Mozambique has undergone significant political and social changes. Positive advances have been made towards greater democratic ownership. However, this is a slow process. It requires both a change in attitudes within public institutions and an increase in the capacity of various stakeholders.

This document has reviewed the recent developments in democratic ownership in Mozambique. The following points summarise the most important **lessons learned** in this exercise:

- The lack of political space prevents CSOs, particularly those in rural areas, from effectively voicing their concerns. In addition, existing legislation places a heavy administrative burden on CSOs and discourages the registration of new organisations.
- Strong financial support and capacity-building is required for CSOs to be able to organise themselves effectively and grow. External funding and capacity-building efforts are most needed at the local and regional levels to ensure country-wide representation in development processes.
- Effective CSO participation cannot be achieved unless dialogue structures with clear accountability mechanisms are put in place. It is not enough to create spaces such as the Development Observatories and the Consultative Councils. These fora need to be empowered and strengthened if democratic ownership is to be achieved.
- Lack of transparency about budget planning and insufficient donor predictability limits the ability of parliament and/or civil society to monitor public and aid expenditure and hold both Government and donors to account.
- The role of the Parliament is constrained by the lack of power, capacity and space to perform its democratic role. When the representatives elected by citizens do not voice and defend the concerns of citizens within their constituencies, it is very difficult to make progress towards democratic ownership.

Further progress will require commitment from all development actors. The following recommendations are made with this goal in mind.

## Donors

- Improve predictability and fulfil their commitment to provide multi-year forward expenditure plans. This would allow Mozambique to improve budget execution and design accurate medium-term expenditure plans.
- Channel as much foreign aid as possible through the national budget and procurement systems in order to increase value for money and strengthen democratic

accountability mechanisms. This would reinforce the monitoring role of CSOs and Parliament and make a major contribution to democratic ownership.

- Continue to support CSOs in their efforts to increase their participation in development policy formulation and implementation. Funding and capacity-building are the two main areas where donors should focus their work and additional efforts should be made at the local level.

## Government

- Open up space for civil society participation by recognising CSOs and development actors in their own right, and formalise dialogue spaces so that they can make a meaningful contribution to development policy formulation and implementation. In particular, the Government should continue working to ensure that the Consultative Councils have enough capacity and are fully involved in development processes.
- Speed up the decentralization of power to provincial, district and municipal bodies ensuring an effective system of public participation in decision policy making and budgeting processes.
- Introduce or revise existing legislation so that all CSOs, including those with little resources and/or in rural areas, can be registered and gain access to existing dialogue spaces.
- Improve transparency around the budgeting process and ensure that Parliament is fully involved in a meaningful manner. Documents should also be made available to CSOs so that they can contribute to the process in a democratic context.

## Civil society organisations

- Work to increase their capacity and build alliances with other organisations in order to coordinate activities, share best practices, improve strategic planning and, ultimately, broaden their grass-roots base and improve their contribution to and impact on development processes.
- Major national organisations should continue to engage in development dialogue processes at the national level, but also try to ensure that the views of local and regional civil society are reflected in the wider political arena.