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The Changing Dynamics of Foreign Aid and Democracy in Mozambique

Carrie Manning[1] and Monica Malbrough[2]

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Abstract

This study explores the effects of foreign aid on democracy in Mozambique during the last decade. Aid for democracy built on historic relationships forged between donors and the government during the wartime humanitarian emergency. Foreign aid played an important role in Mozambique's transition from war to peace and from single-party rule to multiparty politics in the early 1990s. Since 2000, aid has shifted markedly toward general budget support and away from project support. Emphasis has moved from building central government institutions to bolstering local governance, and from a focus on democracy to good governance.

Keywords: Mozambique, foreign aid, democracy, local governance, budget support, project support

JEL classification: D72, F35, N47

[1]Georgia State University, email: cmanning2@gsu.edu (corresponding author); [2]Georgia State University, email: monicalynn18@gmail.com

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www.wider.unu.edu *publications@wider.unu.edu*

UNU World Institute for Development Economics Research (UNU-WIDER)
Katajanokanlaituri 6 B, 00160 Helsinki, Finland

Typescript prepared by Janis Vehmaan-Kreula at UNU-WIDER

1 Introduction: foreign aid and democracy in Mozambique

This study explores the role of foreign aid in promoting democracy in Mozambique, with a focus on the period from 2000-10. Four important trends have characterized donor support to the democracy and governance sectors in Mozambique over the last decade: a move away from project support and toward budget support; a shift from support of central government institutions and toward support of local institutions; a more pronounced focus on good governance rather than on representative political bodies, elections and political competition; and, as part of the local governance focus, an emphasis on local service delivery as an entry point for governance programmes.

Undergirding each of these trends is an emphasis on institutional support and capacity-building for Mozambican entities, rather than continued reliance on projects and programmes implemented by outside organizations. In addition, partly as a result of the problems surrounding the 2009 elections, donors are prioritizing transparency and accountability as a cross-cutting concern.

This study first provides background on Mozambique's democratic trajectory since 1990. Next, we offer an overview of the trends in foreign aid just identified and their implications for democracy aid in Mozambique. We then examine the impact of aid on electoral processes and competition and vice versa. Next, we discuss the relative neglect of the country's primary representative institution, the national assembly, as both a target of donor aid and a participant in monitoring or evaluating the use of aid funds. Finally, we explore the role of and support to civil society and the media in the context of democracy aid. We find that while the era of budget support has brought greater coherence to the aid agenda and has probably strengthened the capacity of state institutions, it has contributed to increasing neglect of the political processes that underlie democracy.

1.1 Historical background

Mozambique embraced multiparty democracy in 1990, when the ruling and sole legal party, Frelimo, unilaterally declared the end of Marxist-Leninist rule. The new constitution, which enshrined multiparty competition, was at least in part an effort to bring that country's sixteen-year internal conflict to an end. In October 1992, Frelimo signed the General Peace Accord with the rebel group Renamo. This followed three years of peace talks hosted by the Italian government and the Roman Catholic Santo Egidio community, and observed by Mozambique's major donors, including the USA, Great Britain, Portugal, and Germany. The agreement consisted of seven protocols that addressed both the formal resolution of the war and the establishment of a new political system meant to lay the foundation for lasting peace.

The agreement called for the dismantling of Renamo's armed forces and the integration of some of its troops into a new unified national army, the reform or disbandment of various government security forces, the reintegration of Renamo-held territory into a unified state administration, and the holding of the country's first multiparty elections within a year. Elections were ultimately delayed by another year, and were finally held in October 1994.

A UN observation mission (UNOMOZ) consisting of 6,800 members oversaw the implementation of the peace accords. Most of Mozambique's key donor countries—including the USA, the UK, Portugal, Italy, France and Germany—contributed troops and/or financial resources to the mission. Representatives of donor countries presided or occupied seats on the most important commissions created to oversee the process.

Since the transitional multiparty elections were held in 1994, Mozambique has had three more general elections (1999, 2004, 2009), as well as three sets of municipal elections (1998, 2003, 2008). Frelimo has won a majority in parliament and the presidency in each of the general elections. In 2004, President Joaquim Chissano, who had ruled the country since the death of Mozambique's first president, Samora Machel, in 1986, was succeeded by Armando Emilio Guebuza, a longtime Frelimo stalwart who is now serving his second elected term. Opposition parties have had slightly better luck gaining representation in a handful of municipalities.

Despite its early successes, Mozambique's democratic credentials have been tarnished by a consistent lack of transparency in election administration, and more recently by the ruling party's growing monopoly on power at all levels. Frelimo holds 76 per cent of the seats in parliament and won the presidency in 2009 with three-quarters of the vote. The opposition won just one municipal election, in the country's second largest city of Beira. These most recent gains came in the wake of an election in which the ruling party manipulated the legal institutions of election administration and used its extensive influence over access to economic resources to tilt the playing field dramatically against the opposition (Manning 2010). Historically, the national assembly has been weak in relation to the executive. Mozambique's political system is technically semi-presidential, with a directly elected president and a prime minister appointed by the president. In practice, the lion's share of political power in Mozambique rests with the president of the republic.

Mozambique has been described as a 'low-information democracy' peopled by 'uncritical citizens' whose average literacy rates, formal education and access to media rank lower than in other low-income countries (Mattes and Shenga 2007). In addition, civil society organizations are generally weak and, with a few important exceptions like the Center for Public Integrity or the League of Human Rights, lack the capacity to serve as watchdogs on behalf of the public interest. Civil society organizations have been effectively excluded from participation in important public oversight bodies. Even where their participation is provided by law, representatives to these bodies have normally been handpicked by the Frelimo party (Manning 2010).

While there is a small and active independent media, these organizations struggle for resources and access to information. The government controls most broadcast media that reaches beyond the capital, Maputo. This is critical since most Mozambicans depend on radio broadcasts for news. Finally, the domestic political opposition is organizationally and financially weak in comparison to the ruling party, and the imbalance has become self-perpetuating as opposition parties lose access to office at all levels (ibid).

1.2 Donor aid during Mozambique's transition to democracy

Throughout its brief democratic history, Mozambique's major bilateral donors have played a significant supporting role.[1]As noted above, donors played a critical role in the dual transition from war to peace and from single to multi-party politics. Bilateral donors, many of which had long-standing relationships with Mozambique, as well as UNOMOZ, the UN peacekeeping force, played an integral role in the creation of these central democratic institutions and processes in Mozambique (Manning and Malbrough 2009a). Long-standing donor experience in Mozambique, along with a shared donor commitment for a successful transition to peace and democracy, provided an arena for stronger patterns of donor co-ordination in these areas.

During Mozambique's transition to peace, there was an inextricable link between donor support for the peace process and patterns of aid conditionality that emphasized a stable and successful transition to multiparty democracy. Donor co-ordination and conditionality were the most effective in support for the electoral processes during this time. In fact, '[e]lections were to be the capstone of a successful peace process in Mozambique, and they were funded almost entirely by donors' (Manning and Malbrough 2009a: 158). The Group for Democracy Aid (GAD), which included a group of key multilateral and bilateral donors, constituted the primary co-ordinating group for co-ordinating and monitoring Mozambique's first democratic multiparty elections (Turner 1995: 643-72).

Given this backdrop, patterns of donor aid during Mozambique's transition to democracy did not only emphasize the establishment of regular, formalized democratic elections. Donor conditionality and co-ordination mechanisms also emphasized support for political parties. There was strong donor investment in aiding Renamo's transition from a rebel group into a formal political party with a stake in the new democratic process. Donor conditionality stipulated the inclusion and co-operation of all relevant actors in the drafting of electoral laws and democratic processes.

Since then, donors have provided substantial funding, training and technical support for electoral processes, supplied extensive training for members of parliament, engaged in civil society and political party development activities, provided training and resources for independent media, and offered technical support and funding for a range of policy reforms. Mozambique's major donors helped convince the IMF to relax conditionality during a crucial phase of the peace process in an effort to keep the process moving. They played an essential role in keeping Renamo engaged through the first electoral process and have generally been viewed by both major parties as an important constituency, equally if not more important than voters themselves.

1.3 Current patterns of donor aid for democracy in Mozambique

Since the formal establishment of multiparty democracy, there have been gradual changes in Mozambique's democratic trajectory and patterns of donor aid for democracy and governance. Specifically, while donors primarily provided support for democracy and governance at the central level during the years after Mozambique's

1 For details, see Manning (2002) and Manning and Malbrough (2009, 2010).

transition to peace, donors have essentially shifted their focus from the central government to the periphery, particularly the district and local levels. Furthermore, donors began to provide budget support for local governance, civil society, capacity-building, and service delivery as a means of supporting decentralized democracy and good governance.

Overall, decentralization, as a means of deepening democracy, has become the priority of donors, including the G19 group of donors.[2] This development is largely the result of the major donors' belief that the ruling Frelimo party appears to be consolidating power in the executive, further hindering the ability of parliament to fulfill its potential as a democratic institution. Opposition parties are ineffective and feeble, particularly considering the fact that FRELIMO holds a consistently overwhelming majority in the national assembly. Mozambique's parliament is divided and contentious, lacking inter-party co-operation or proactive action. Most bills originate in the executive. Finally, donors expressed dismay and protested the lack of transparency and disconcerting circumstances surrounding the 2009 general elections. Thus, due to growing unease about the quality of democratic governance in parliament and within the ruling party, donors began to view subnational institutions as more conducive vehicles for democracy and development assistance.

2 From project and programme support to budget support

Direct support to the state budget has become the most important source of aid money for Mozambique. Overall, donor funds account for 49 per cent of the Mozambican state budget each year (International Monetary Fund 2007). For most donors, budget support now accounts for the vast majority of aid to Mozambique for any sector. Budget support is the provision of aid directly to the state budget. From 2004-08, budget support donors spent US$1.7 billion in Mozambique. The number of donors and the amounts of money involved in budget support to Mozambique make this one of the biggest budget support programmes in Africa. According to the website of the G19, which is the name for the country's budget support donors, the programme is 'an example to be replicated in other African countries and beyond'.[3]

The G19 group includes the following bilateral and multilateral donors: African Development Bank, Austria, Belgium, Canada, Denmark, European Commission, Finland, France, Germany, Ireland, Italy, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and the World Bank. In 2009, the United States and the United Nations became 'associate members', attending meetings and donor co-ordination groups but not committing *a priori* to a common policy. Together, they pledged a total of US$471 million in aid in 2009.

The shift to budget support rather than project-based aid is broader than democracy and governance and extends to many countries besides Mozambique. Budget support is expected to support many of the goals of the 2005 Paris Declaration on Aid Effectiveness. Donors expect budget support to increase government ownership of

2 It is important to note that several donors still provide funding to the national assembly, although there has been a clear shift from central to local development funding.

3 See www.pap.org.mz

development, to bring harmonization, co-ordination and information sharing among donors, to unite disparate donor efforts in support of a common goal (in this case poverty alleviation), and to create mechanisms for mutual accountability between donors and the government.

Although one of the aims of budget support is to allow the government to set and implement its own priorities, budget support is not unconditional aid. As stated on G19 website, the goal is 'to ensure funding to the public sector for poverty reduction, clearly and transparently linked to performance'.[4]

Mozambique's Poverty Reduction Strategy Paper, known by its Portuguese acronym PARPA, provides both the foundation for the government's five year plan and the framework around which budget support is structured. The PARPA is prepared by the government 'in consultation' with the World Bank and IMF. Each PARPA sets out goals and indicators under each of three 'pillars': poverty, governance, and human capital. Disbursements of budget support are pegged to progress on these indicators. Mozambique is now on its third PARPA, which was drafted in 2011.[5]

Budget support is also expected to facilitate dialogue among donors and between donors and the government. Mozambique is distinctive for the large number of donors and international NGOs operating in the country. Co-ordination and harmonization require considerable time and effort by donors, NGOs, and government officials. Budget support donors in Mozambique generally do attempt to speak with one voice to the Mozambican government, though this does not always happen in practice. The 'donor strike', which began in 2009 and lasted for several months, highlights the divisions that exist among these donors.[6] In general, however, the G19 share common goals and participate in more than a dozen 'donor co-ordination groups' meant to facilitate ongoing dialogue among donors and between donors and government and civil society actors. These co-ordination groups have been created around particular institutions, such as the Audit Court, and around issues like justice sector reform and decentralization.

The shift to budget support has thus had two important effects on democracy aid in Mozambique. First, it has influenced the kinds of things donors are willing to support in the democracy and governance sector. Most importantly, it has reinforced a focus by donors on the institutional capacity of the state, and particularly the state's capacity to plan and manage public spending, since this is the focus of the PARPA. Governance, as defined in the PARPA, covers two broad areas: public sector reform and 'justice, legality, and public order'. Public sector reform includes support for local government, which as we discuss below has become a central focus for democracy and governance aid. 'Justice, legality, and public order' covers the fight against corruption and monitoring institutions such as the Audit Court. Accordingly, governance working groups have been formed in three areas: public sector reform, decentralization, and

4 See www.pap.org.mz.

5 PARPA I and PARPA II were effective from 2004-07 and 2008-2011, respectively. PARPA III will run until 2014.

6 In December 2009, the majority of the G19 members announced that they would withhold support they had pledged for the coming year unless the government took a number of specific measures to address corruption and a lack of transparency. Several smaller donors, as well as the largest donor (World Bank) refused to peg their donations to these demands, though for different reasons.

justice and legality. Issue areas that are not covered in the PARPA are generally not part of budget support and are relegated to project aid, which most donors are attempting to phase out.

Second, budget support in Mozambique has led to the creation of an intricate architecture of donor co-ordination and monitoring and assessment of government performance. This framework creates a strong relationship of accountability between the Mozambican government and donors, but it does not do the same for horizontal accountability within the Mozambican government or between state and society. There is no formal role for the national assembly in crafting the strategic goals to which the government will be held accountable, or in monitoring the disbursement and use of aid money. While civil society representatives are officially welcome to participate in the donor groups, they rarely do so.

While USAID constitutes an 'associate member' of the G19 group of donors, it nevertheless represents one of the largest bilateral donors in Mozambique. For over a decade, USAID, along with other donors, have demonstrated a commitment to democratic decentralization reforms, particularly through the support of various municipalization projects (Reaud and Weimer 2010). In 2008, USAID closed their Municipal Programme (PROGOV), which provided support to five municipalities.[7] Now under new leadership, USAID is currently in the process of developing a new democracy and governance strategy in Mozambique. Although this strategy is still in its early stages of development, support for decentralization remains a primary component. Aside from decentralization, USAID's new strategy will emphasize areas including anti-corruption, security sector support, good governance, and support for civil society, particularly the media sector. In the meantime, USAID is conducting and analyzing a series of desk and field studies, alongside other donors, including DFID, concerning the future of democracy and governance support in Mozambique.[8]

3 Foreign aid and political competition: electoral politics

In October 2009, Mozambique held its fourth general elections, probably the least democratic multiparty elections the country has held. New electoral regulations had the effect of preventing most opposition parties from mounting effective challenges, and on voting day significant numbers of electoral officials in several important provinces acted systematically and on a large scale to manipulate electoral results. Although international election observers identified significant problems in 15 per cent of the country's polling stations, they declared the elections largely free and fair.

Before delving into the controversial issues of the 2009 elections, it is important to preface this discussion with an explanation of the unique political circumstances surrounding the election. The political rivalries of Frelimo and Renamo dominated previous elections. However, the 2009 elections witnessed the introduction of a formidable candidate, Daviz Simango, as well as a viable new opposition party, the Mozambique Democratic Movement (MDM).

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7 The five municipalities include Vilankulo, Chimoio, Gurue, Monapo, and Nacala.

8 USAID Interview, 10 June 2010.

Mayor Daviz Simango served one elected term as Beira's mayor after having been nominated as Renamo's candidate. After a first term in which Simango made a national reputation for himself by making the first major improvements to Beira's physical infrastructure and public service delivery in decades, Renamo's leadership declined to nominate him for another term, perhaps fearing that his success had made him a threat. Instead he ran in the 2008 municipal elections as an independent, crushing both the Renamo and the Frelimo candidates, and subsequently formed the MDM. However, MDM was prevented from running candidates in all but four provinces in the 2009 elections, due to a questionable ruling by the national electoral commission. Nevertheless, the party won eight per cent of the national assembly vote, more than triple what any third party had ever achieved.

When the dust settled, Frelimo held the presidency, an overwhelming majority in the national assembly and all provincial assemblies, and all municipal assemblies but one. MDM is the only opposition party to control a municipal assembly, in Beira, which is also the country's second largest city. Frelimo's presidential candidate was reelected with more than a 10 per cent increase in his vote share over the last elections in 2004 (from 64 per cent to 75 per cent), while his nearest opponent, Renamo's Afonso Dhlakama, lost half of his vote share from the previous elections (Manning 2010).

3.1 The 2009 elections: questions and controversies

The 2009 elections were an object demonstration of the ruling Frelimo party's unwillingness to trust its fate entirely to the will of the electorate. Frelimo and the government exercised control over the majority of the membership of the National Electoral Commission (CNE), as well as its president. The CNE made a number of questionable calls, including a decision to exclude the new opposition party, MDM from contesting elections in all but four of the country's eleven constituencies.

This decision produced controversy and criticism about the lack of transparency in the electoral system and its institutions, including the CNE, the Technical Secretariat for Electoral Administration (STAE), and the Constitutional Council.[9] Essentially, the donors argued that the CNE's decision to deny MDM the opportunity to contest parliamentary elections in the majority of the country's provinces was biased in favour of the ruling party. In response, the government questioned the fact that the donors did not voice their concerns when the new electoral legislation was drafted (Hanlon 2010a). MDM's exclusion from most parliamentary constituencies resulted from a combination of more restrictive rules governing the registration of political candidates and the CNE's mishandling of MDM's paperwork.

Part of the problem lay in new rules established in the 2007 and 2009 revisions of the electoral law. Six months before the 2009 October elections, parliament, controlled by a Frelimo majority, passed new electoral legislation that required political candidates to present more documents than in previous elections in order to be eligible to compete in

9 The STAE is the executive division of the CNE. The Constitutional Council is the highest judicial body that settles electoral disputes, handles appeals, and interprets constitutional law: http://www.eisa.org.za/WEP/moz3.htm. Accessed on 17 November 2011.

elections.[10] In the eyes of some, this law introduced bias against opposition party candidates because the civil service, which is dominated by Frelimo party loyalists, delayed processing the necessary documents for opposition candidates, while quickly providing documents for Frelimo candidates (Hanlon 2009).

According to the CNE, whose decision was ultimately backed by the Constitutional Council (CC), MDM did not present enough candidates in seven of the eleven provinces. However, the CNE did not meet its own deadlines for review of the documentation, which prevented MDM from correcting any problems. Moreover, the CNE initially declined to provide MDM with the reason for the exclusion of their paperwork in seven provinces, and refused to make the lists it had ruled deficient available for inspection (G19 2006). While the Constitutional Council had a reputation of judicial impartiality since its establishment in 2004, its decision to back the CNE cast doubt upon its integrity, not least because the 2009 decision reversed a 2005 precedent by the Council on a similar issue (G19 2006; Hanlon 2009). For some observers, the unanimous vote of the Council, which consisted of both Frelimo and Renamo members, to uphold the CNE's actions suggested that both major parties felt threatened by the growing popularity of MDM and Daviz Simango (Manning 2010: 157-8).

After the elections, the CNE failed to deal effectively or transparently with numerous and serious accusations of fraud at polling stations. Extensive ballot box stuffing and excessively large numbers of invalid votes were widespread and involved large numbers of polling station officials. The CNE declined to investigate most claims of irregularities, and in the end the CNE president admitted that polling station officials had been widely involved. Yet he minimized the problem and took no disciplinary action against those involved. At best, the CNE acted carelessly by failing to take precautions that might permit a full analysis of the integrity of the electoral process. At worst, it deliberately destroyed or hid key evidence of malpractice (G19 2006; Manning 2010).

The problems with electoral administration in 2009 highlighted divisions within the G19 donors, particularly between the donors that actively sought governance reform and those that preferred to remain outside the political realm. Following the elections, a number of G19 donors announced that they would withhold previously pledged budget support for 2010 unless the government addressed problems with transparency and governance that included but went beyond electoral administration. Five members of the G19 Group did not support this 'strike', including the World Bank, the European Union, Spain, Italy, and Portugal. These donors committed to continued support in mid-December, while other donors, particularly those with long-term relationships with the government of Mozambique, withheld budget support funds until late March of 2010 (Hanlon 2010b).

According to reports from donors involved in negotiations with the government, the donors put forth ten demands, most of which had to do with greater efforts to combat corruption and improve administrative transparency. However, two of the donors' conditions were aimed at the increasingly restrictive environment for political competition.

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[10] Law 15/2009.

First, donors expressed dissatisfaction with the overlap between the ruling party and the state apparatus, resulting in exclusion and political party bias in hiring decisions inside public institutions and government ministries (G19). For example, Frelimo appointees dominate the composition of the CNE, the president of the CNE is handpicked by Frelimo, and the party has used its access to resources and power to influence election campaigns and change election laws in favour of Frelimo (Manning 2010). In an effort to establish a clear distinction between the state and the ruling party, donors called for Frelimo to remove their commanding and influential party branches, including the party organization of civil servants, from state institutions. Second, they demanded that the standing rules of parliament be changed to allow MDM to form a caucus. In spite of adverse conditions, MDM had managed to gain eight seats, a record for a third party in Mozambique, let alone one in the first year of its existence. However, this was still three seats short of the number required to form a caucus in the national assembly.

Although the government was initially indignant, in the end it agreed to all of the conditions but one—the removal of party branches from state institutions. Straining credulity, the government insisted that this was a party matter over which it had no control, and that opposition parties were not prohibited from organizing their own workplace cells. The agreement was formalized in the Governance Action Plan, which came with explicit targets to be met during the year following elections, in exchange for budget support to the central government.[11] General budget support was fully restored in March 2010.

3.2 Donor support for electoral politics after the 2009 general elections

The donor strike demonstrated the extent of donor frustration with an increasingly powerful ruling party. Donors' doubts about their ability to influence central government institutions stems in part from Frelimo's increasing lock hold on those structures. The line between the ruling party and the state is not well defined, as we discuss in more detail below. The implosion of the main opposition party, Renamo, as a significant political force contributes both to entrenchment of the ruling party and to the degree to which Frelimo can govern with relative impunity.

Political party competition is markedly dominated by Frelimo, whose influence also extends to the economic realm. Since coming to power in 2004, President Guebuza has aggressively reinserted formal party structures into the state, workplace and neighbourhood. Between 1994 and 2004, when Joaquim Chissano was president, Frelimo party leaders sometimes complained of the dominance of the state over the party. Now civil servants complain that party loyalty is often a litmus test for promotion. According to a study commissioned by USAID in 2008, 'active opposition to Frelimo is increasingly becoming a reason for exclusion in politics, government, and economic development' (Groelsema et al. 2008). Most of the donors we interviewed in June 2011 confirmed that it was hard for people to get a job without a party card. People speak regularly about the politicization of employment in the public sector and of service delivery. The USAID report cited above describes tight connections between a small group of business and ruling party elites, for whom concessionary loans from

11 For a detailed discussion, see 'Braco de ferro a caminho do fim', *Mediafax* no. 4497, 17 March 2010.

former state banks and preferential access to investment deals are the rule. Increasingly, it is difficult to see where the party ends and the state begins.

Against this background, it is increasingly difficult for opposition parties to gain a foothold. In addition, Renamo has long been hamstrung by its own problems. Despite sporadic efforts to bring new faces to its parliamentary bench and party leadership, including intellectuals and professionals, the party's leadership remains centralized and concentrated in the person of Afonso Dhlakama, who has become increasingly reclusive since abandoning the capital for a modest house in the suburbs of the northern city of Nampula.

Given Frelimo's monopoly on every level of government, the very concept of political opposition fades easily from public view. Since around half of the state's budget comes from donors—and with no public transparency about which government functions are funded by government revenues and which by donors—donor support strengthens Frelimo as a party.

With this backdrop, it is probably fair to say that aid does affect elections in Mozambique, perhaps now more than before, but its effects are increasingly difficult to see clearly. In the past, donors provided discrete and highly visible, project-level support for elections, in the form of technical and logistical support for election administration, for example. Project aid comes with clearly visible markers in the form of in-kind support—vehicles, food and medicine come with donor insignia on the side. It was easy for communities to see that services were delivered through a sort of partnership, however lopsided, between state and donors or international NGOs. In 1994, this was so much the case that visitors to rural areas who asked about service delivery were more likely to hear complaints about the policies of international NGOs than they were to hear about the state. Local government was not even on the radar screen as a significant service provider (Manning 1997).

In the era of budget support, this is no longer the case. Budget support aims to bolster the capacity and, implicitly at least, the profile of the state in the public eye. Most of what the state is able to do still depends on donor support, but this dependency is actually less visible than before. In Mozambique there is no provision for the national assembly, civil society, or the media to be informed about which parts and how much of the government budget comes from aid.

4 Donor support to the national assembly

The lack of separation between party and state contributes to low levels of horizontal accountability provided by key institutions, such as the national assembly. The national assembly is a weak institution that is largely unable to serve as an effective counterweight to the executive branch. There is a shortage of staff in the assembly, and more than 50 per cent of staff has only a primary school education, and only 17 of a total of 305 staff members have training in law. The assembly has no role in monitoring the disbursement or use of aid. A Renamo bill that would have required donors to disclose aid given to Mozambique failed to become law under the second legislature (1999-2004). Frelimo used its majority to oppose the bill, arguing that it was not the assembly's job to require donors to make public disclosure of their aid expenditures.

In fact, in the entire PARPA II document that sets the parameters for government action over the five year period from 2007-2011 and which explicitly discusses the monitoring and assessment framework that is to guide budget support for the plan, there is not a single mention of the national assembly (International Monetary Fund 2007). The media, civil society, business, workers' organizations, local consultative councils, and donors each get a paragraph to describe their role, but not the national assembly. Political opposition receives two sentences urging them to voice support or constructive criticism of the PARPA, but offers no formal channels through which to do so.

Indeed, while the framework for government accountability to *donors* is elaborate, there is no plan whatsoever through which government can be made accountable to its own citizens for how it uses foreign aid. By law, the government must report to the national assembly on the implementation of its annual economic and social plan. But there is no provision for transparency regarding which objectives have been funded by donors, or by how much. Despite the fact that the national assembly formally approves the annual budget, the government does not provide specific information about donor contributions, or details about donor aid for particular development objectives. Furthermore, off-budget funds constitute a sizeable portion of donor aid, which undermines the transparency and accountability of donor funding mechanisms (IDD 2006). There is thus no way for the national assembly to monitor systematically the government's use of donor funds or their impact on government objectives. Only recently did the government, along with donor agencies and NGOs, begin to address these issues of budget transparency and accountability. One example of this is the ODAMoz database, which is a public online database that provides detailed information about donor aid, both on- and off-budget (ODAMOZ 2011).

Direct aid to the national assembly (and now the new Provincial Assemblies, elected in 2009 for the first time) is a small part of democracy aid. For most of the G19 budget support donors, it is a tiny part of their overall democracy and governance budget, and it is relegated to the secondhand world of project support, which is discussed below. There is some support for provincial and municipal assemblies as a secondary component of local governance projects. For example, some of the donors working on governance and service delivery (GIZ) have held workshops with provincial assemblies to prepare them for a more active role in the provincial planning and budgeting process. However, these provincial assemblies have little power and tiny budgets, so their impact on the process is minimal. The benefit of capacity-building programmes comes more from their contribution toward creating an 'attentive public' than from immediate, tangible changes in planning and budgeting process or outcomes. The Association of Western European Parliamentarians (AWEPA) aids the Ministry of State Administration and the Ministry of Public Administration by providing training for members of Provincial and Municipal Assemblies in ten provinces, focusing on budgeting, accounting, and monitoring, as well as relations between the Provincial Assemblies and other state organs.

4.1 Project-level interventions to support the national assembly

Support to the national assembly also is provided primarily by a handful of international NGOs, plus the UNDP. Many of these NGOs receive institutional support from G19 budget donors, including Sweden, Denmark, Norway, The Netherlands, and USAID. Spain and Finland have provided project support. The most important NGOs working in

this area are AWEPA, the National Institute for Multiparty Democracy (NIMD—a Dutch NGO), and EISA (Electoral Institute for the Sustainability of Democracy in Africa). The National Democratic Institute (NDI) and another USAID-supported project run by State University of New York at Albany have provided assistance in the past, as have the German party foundations—Friedrich Ebert Stiftung and Konrad Adenauer Stiftung. For example, Konrad Adenauer was funded by the European Commission in 2009 to support the parliamentary committee on revising the electoral law and is now working with civil society and political parties to organize seminars in all provinces and submitting proposals before parliament. EISA has been working along similar lines with the parliamentary committee for constitutional revision.There is also a donor working group for parliament, and it meets approximately every three months.

The major player in terms of support to the assembly is AWEPA, which provides support in four areas: the national assembly, municipalities, provincial assemblies, and political parties (primarily around election time). The focus is on institutional capacity-building and building human capital on both technical and political issues. In the years just after the onset of democracy, organizations like AWEPA, the NDI, and others worked on the most basic tasks in their support to the assembly. Often this amounted to building trust between Renamo and Frelimo MPs, through joint study trips and seminars on uncontroversial topics of common interest to these MPs. During the 1990s and early 2000s, NDI invested considerable effort in training MPs in constituency work, sponsoring public forums in the provinces from which candidates were elected, and providing training to both politicians and civil society organizations in how to use these opportunities to boost accountability. AWEPA and the other funders of the national assembly have now shifted to support for the specialized standing and ad hoc committees of the assembly. Many of these committees have only one person, the chair, with any background in the committee's subject matter.

Notwithstanding this support, the assembly has struggled to perform its role as a counterbalance to the executive. One MP from Frelimo acknowledged that after the first multiparty elections, in 1994, the executive viewed the Frelimo parliamentary bench as a rubber stamp. She argued, however, that this is changing. The executive now initiates three-quarters rather than 90 per cent of the legislation in the national assembly.

Moreover, there have been several times when the parliamentary bench has clashed with the ruling party in government.[12] One recent example was the decision, following violent demonstrations in Maputo in the fall of 2010, to subsidize a 'basic basket' of staples for the poor. The executive announced the measure without consulting with the national assembly, where the ruling party's bench argued that the government did not have the resources to fund the programme and that it required further study. In the wake of the programme's announcement, studies were conducted that justified the assembly's skepticism, and ultimately the measure was withdrawn. This about-face remains a source of contention between the legislature and the executive. On the whole though, these incidents have been both mild and rare. They tend to reveal divisions within the ruling party rather than attesting to a growing ability by the assembly to check the executive.

[12] Author interview, Maputo, 25 June 2011.

5 Foreign democracy aid and civil society

Given the historically profuse and diverse presence of multilateral and bilateral donors in Mozambique, the circumstances surrounding foreign aid and democratic assistance for civil society sectors are quite complex. This section provides contextual information about the ability of donor aid to strengthen and support non-state actors' participation in the dialogues and debates surrounding government actions in Mozambique.

Not only does this segment of research seek to identify the funding mechanisms that support CSOs, but it also seeks to determine whether there is citizen participation, awareness, and involvement in discussions surrounding donor initiatives in the government. Moreover, does donor aid target and support the development of a free and active civil society?

The major donors in Mozambique, the G19 plus several other countries, appear to agree that strengthening civil society is an integral components of fostering aid effectiveness, local democracy promotion and participation, and instilling 'national ownership'.[13] However, despite the general acknowledgment among donors about the importance of strengthening civil society and the proliferation of donor-supported civil society projects, aid to civil society is a small part of donors' overall portfolio.

Compounding this situation is the rural/urban divide and general geographical impediments to the development of the civil society sector. While there are some historical donor-CSO geographical ties,such as that of SIDA in Niassa and Austria in Sofala, many CSOs based in rural areas or in provincial capitals remain without funding and lack any capacity to gain donor funding. DFID reports that 'geographical isolation and high rates of illiteracy' act as a constraint on citizens' access to information, and, thus, their ability to voice their concerns (DFID 2008).

In recent years, it seems as though support for civil society has fallen by the wayside as donors shift emphasis from project to budget support. Budget support, with its demands for higher government capacity to manage public spending, diverts money toward building administrative capacity, and then toward improving administrative transparency and accountability. Decentralization captured still more funding, and support for decentralization did not initially include civil society strengthening components. Support for civil society initiatives is growing in importance within the donor community. However, while most donors increasingly voice support for civil society strengthening, the initiatives that have existed over the last 5-10 years are not co-ordinated or integrated into larger strategies. There are no donor working groups devoted to co-ordinating support to civil society organizations or creating dialogue with them, in part because shoring up civil society does not appear in the PARPA document that guides budget support, as well as assessment and monitoring, by the G19.[14] As a result, there is little co-ordination between donors who offer support to civil society. Several donors do contribute to a common fund that offers institutional support to such organizations.[15] However, this approach excludes the overwhelming majority of CSOs

13 Author interview, Swedish International Development Aid, Maputo, 27 June 2011.

14 Author interview, Canadian International Development Aid, Maputo, 28 June 2011.

15 Author interviews with European Commission, Swedish International Development Aid, and Austrian Development Aid, Maputo, June 2011.

because most CSOs lack this capacity, especially if they are located outside the capital of Maputo.[16]

5.1 Changing approaches for strengthening civil society

However, there are some indications that approaches to civil society support are changing and becoming more integrated with PARPA-supported goals such as poverty alleviation and decentralization. First, the recent Nordic+ initiative may lay the groundwork for improved donor co-ordination and effectiveness with respect to civil society strengthening. This initiative seeks to strengthen partnerships between donors and CSOs. It establishes a set of principles for donors to follow to increase civil society capacity at the local level, as well as to improve donor effectiveness and co-ordination between civil society organizations and Nordic+ donors.[17]

In addition, there are a growing number of initiatives by individual donors that support civil society as part of their support for more participatory, responsive, and effective local governance. For example, Swedish-funded international NGOs work with local CSOs in Niassa to increase their participation in the local decision-making process. As a result of their work, some CSOs in Niassa now participate in the consultative council meetings.[18] Along the same lines, DED, now part of GIZ, the German Development Corporation, also supports small CSO projects at the provincial level.[19] In Nampula, Dutch support for both the local government and NGOs has strengthened the ability of these NGOs to build capacity between local government, local council organizations, and other CSOs.

DFID's Civil Society Support Mechanism (CSSM), which is implemented by AustralCOWI, DFID and Ireland, is a 5-year project, which began in 2007 and will end in 2012. The primary goal of CSSM is to strengthen the role of CSOs in the effective monitoring of, and participation in, governance in Mozambique. The underlying, long-term goal is to increase government responsiveness, accountability, and transparency by allowing citizens to engage in public dialogue and advocacy. The CSSM donor project differs from other donor programmes in that it is committed to supporting a wide variety of CSOs, both in terms of capacity level and geographic location. In particular, CSSM seeks to fund CSOs that are geographically representative of the country (Austral n.d.).

In addition, while DFID continues to provide general budget support to the State, it is also launching a 4-year governance programme that provides support to non-state actors. DFID's non-state support areas include decentralized support for civil society, democratic governance at the municipal level, and improvements in the commercial environment of the local and national media. In addition, they plan to provide core institutional support to high-performing civil society organizations that can contribute to

16 Author interview, European Commission, Maputo, June 2011.

17 Nordic+ countries include the embassies of Denmark, Sweden, The Netherlands, Norway, Ireland, DFID, Finland, and the Canadian High Commission.

18 Author interview, Swedish International Development Aid, Maputo. 22 June 2011.

19 GIZ Interview, 24 June 2011.

these efforts, through collaboration with the Center for Public Integrity (CIP) and EISA.[20]

6 Foreign democracy aid and the media

Mozambican independent media generally enjoy considerable freedom to operate. Under Guebuza's leadership, there is increasing overlap between the Party and the State. Due to the fact that the government is the media sector's major funder, this overlap has the potential to compromise their independence.[21] With a few glaring and important exceptions, including the assassination of well-known journalist Carlos Cardoso during his investigation of government corruption related to bank privatization in 2000, the independent media have been able to criticize the government on a wide range of issues without fear of retribution. The private media sector is considered to be partly free, and there are several independent media outlets that provide critical analyses of the government.

Yet, while independent media outlets exist and are growing in numbers, they lack the coverage, capacity, and funding of those that are aligned with the state.
A general lack of funding and capacity largely undermines the media's ability to strengthen accountability and participation in government, particularly in rural, or more isolated, areas, where most of the Mozambican population lives. The government is the primary funder of the larger media outlets, such as Noticias, the daily newspaper, and Televisão de Mocambique (TVM).[22] The government also controls the bulk of the broadcast media that can reach audiences outside of Maputo, and there are questions about the objectivity of the state-funded media outlets, particularly after the 2009 elections. The lack of funding and the difficulty of independent media outlets in reaching rural areas is an enormous barrier to the development and promotion of independent media. These sentiments were echoed in the the African Peer Review Mechanism (APRM) Mozambique country report from 2008, which recommended strengthening the role of the media and CSOs, primarily as a means of ensuring institutional transparency and accountability (African Peer Review Mechanism 2008).

These problems are compounded by the fact that, under President Guebuza (2004 to present), the government has begun to use the courts to sue newspaper editors whose papers publish stories critical of the government. This encourages self-censorship and has the potential to put struggling independent media companies out of business. There are also the issues of illiteracy, language barriers, rural isolation, and limited access to the internet (DFID 2008). The vast majority of Mozambicans do not have access to technology or information. In 2009, only 2.7 per cent of the Mozambican population had internet access.[23]

Although the major donors acknowledge that the media plays an integral role as part of civil society and as a vehicle for promoting accountability and transparency, there has been thusfar very little donor support of the media sector in Mozambique. However,

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20 DFID interview, 30 June 2011.

21 SIDA interview, June 2011

22 Freedom House: Freedom of the Press—Mozambique (2010)

23 Freedom House (2010), 'Freedom of the Press—Mozambique'.

various donors are now seeking to implement programmes that support the media sector, particularly its role in establishing a public dialogue with citizens, the government, and civil society organizations. DFID is in the process of developing a programme that provides support, outside the state, to improve the commercial environment of local and national media.[24]

7 From democracy to governance

Although democracy broadly defined is still an important focus of the major donors, under the democracy and governance umbrella the emphasis is shifting more squarely to governance. Support for the national assembly, political parties, and elections is relatively small and in most cases episodic or cyclical, tied to electoral periods or events like constitutional reform.

This shift from democracy to governance and administration, and from central to local level, appears to be driven at least in part by donor disenchantment with national political processes. Several interviewees said that they no longer believed they could have an impact on democracy and governance practices at the level of central government, so they were concentrating their resources on building the capacity of local government units such as districts and municipalities (GIZ 2011; ADA 2011; EC 2011; DFID 2011; Dutch Embassy 2011).

Donors repeatedly cited the institutional weakness of parliament as both a disincentive and a practical impediment to working with that institution. Parliament originates very little legislation, with most coming from the executive. Opposition parties are perennially weak, and with the ruling party's overwhelming majority in parliament, donors tend to see parliament as an institution unlikely to affect democracy in governance in substantial positive ways.

7.1 From central to local governance

While donors themselves did not make this distinction explicit in our interviews, the perception that central government institutions are impervious to donor influence seems to apply more to areas like participation and representation than to accountability, transparency and public administration. For example, German Society for International Cooperation (GIZ), along with its financial institution KFW, continues to work with, and provide budget support, to the central government. GIZ is particularly interested in institutional support of the 'accountability institutions' like the national Audit Court.

Still, even within the areas of accountability and transparency in public administration, donors are increasingly focusing their resources at the local level, which in Mozambique includes both districts, where administrators are appointed by the central government, and municipalities, whose mayors and assemblies are elected. GIZ focuses primarily on districts, while Austria and DFID support municipal development.[25] DFID is currently in the process of developing new programmes that largely shift their support

[24] Author interview, DFID, Maputo, 30 June 2011.

[25] Author interview, GIZ, Maputo, 24 June 2011.

from central state institutions to civil society, local government service delivery, the media, and democratic municipal governance. Issues of transparency and accountability are central components in DFID's support to these peripheral institutions. However, unlike some other donors, such as the Austrian Development Cooperation (ADA) and GIZ, who provide support for decentralized *administrative* development in municipalities, DFID's municipal support will concentrate on *democratic governance* at the municipal level. DFID's support for municipal democratic governance includes providing support for elections, combating corruption and ensuring good governance practices, such as accountability and transparency (DFID 2008).

It is important not to overstate the separation between support for central and local governance. Individually and as a group, the G19 have made a commitment to improving transparency and accountability particularly when it comes to the management of public funds, and this includes integrated support for national, provincial, district and municipal levels of government and funds capacity-building in the areas of planning, budgeting, and monitoring of government expenditure.

Much of this support comes through direct budget support for the government's national planning process. Germany, along with the World Bank, The Netherlands, UNDP, Switzerland, Ireland and Germany pay into a common fund that supports the Ministry of Planning's PNPFD programme, which is aimed at building the planning, budgeting, and monitoring capacity of district governments. The fund supports technical advisers at the national level in the Ministry of Planning and Development and the Ministry of State Administration, the Ministry of Public Works, and the National Audit Office. These central level advisers have assisted the government in producing standard manuals and methodologies for local planning and participation. The fund also supports advisers at provincial and district levels, and there is a common 'curriculum' focusing on capacity-building in financial management, budgeting, procurement, strategic planning and citizen participation.

For example, the ADA, which was one of the first donors to support municipal democratization, is pushing for the development of accountable and transparent financial systems at the municipal level. They seek to establish financial systems at the municipal level that are equivalent to those that exist at the national level.[26] GIZ also provides specific support for district-level governance in the three provinces in which they concentrate their aid efforts, Sofala, Inhambane, and Manica. This includes training the consultative councils, and, in certain districts, holding elections for the consultative councils.[27] Their general goal is to develop accountable, transparent governance at the lowest levels of government.

Denmark, Austria, Switzerland, together with the National Association of Municipalities of Mozambique (ANAMM), the National Directorate for Municipal Development of the Ministry of State Administration (MAE/DNDA), and the Centre for Sustainable Development for Urban Areas in the Ministry of the Environment fund the 'P13', which supports 13 municipalities in the central and northern provinces of the

26 Austrian Development Cooperation interview, 28 June 2011.

27 GEZ interview, Autumn 2010.

country.[28] The focus is on training and capacity building for local officials, particularly in the areas of governance, management and service provision. This programme is scheduled to end in 2011, although the Swiss remain committed to supporting local governance, civil society, budget support and donor co-ordination efforts (Swiss Agency for Development Cooperation n.d.).

As mentioned earlier, most donors still maintain a historical focus on particular provinces and build their retooled support around this foundation. Moreover, at local levels, aid still tends to combine institutional support for local governments with project support through CSOs or international NGOs working in particular provinces. For instance, Sweden has long supported projects and programmes in Niassa province and its budget support to CSOs and INGOs goes to organizations working in that province. GIZ works in districts in Inhambane, Sofala and Manica. Austria concentrates on Sofala, while the Dutch have built on their history of support in Nampula. However, donors increasingly coordinate to ensure coverage of all districts and municipalities and to avoid duplication of effort.

7.2 Service delivery as an entry point for governance work

Within the local governance focus, many donors are focusing on community participation in decision-making about service delivery, including areas such as water, sanitation, electricity and roads. There is considerable variation in the quality of service delivery between localities. Certain donors, particularly DFID, ADA, and the SDC, emphasize the connection between support for service delivery improvement and improving municipal governance and institutional accountability.[29]

At least in theory, the governance focus permits more consistent attention from both donors and domestic actors, including politicians, civil society organizations, and individual citizens, to the day-to-day aspects of state-society relations in a democratically governed polity, as opposed to political party or electoral programmes, which are most likely to have an impact only during electoral periods. This is especially true of programmes that focus on service delivery in areas like water and sanitation. Many donors have long had programmes to support improvement in these areas and have relied for years on the formation of local management committees for water points. These donors are now leveraging this experience to encourage community participation in planning for service delivery and the use of district and municipal funds for public service provision.

For example, in Dondo, the ADA has provided long-term municipal and district support for good governance and democracy initiatives, such as participatory budgeting and improved public administration, particularly in the provision of water to local communities.[30] Community participation in local decision-making is an integral component of ADA's support for local governance and service provision. Thus the

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28 The 13 municipalities include: Mocimboa da Praia, Montepuez, Pemba, Nampula, Nacala, Ilha de Mocambique, Cuamba, Metangula, Beira, Dondo, Marromeu, Quelimane, and Mocuba.

29 Author interview, DFID, Maputo, 30 June 2011.

30 Author interview, ADA, Maputo, 28 June 2011.

addition of a community participation and governance component is a natural follow on activity.

However, contrary to what many donors implicitly seem to expect, politics is not absent at local levels. For example, Mozambique's 2003 Law on Local State Organs created consultative councils at the district level and below.[31] The stated purpose was to create a channel for community participation in government decision-making. The consultative councils created by the local governance law have, by design, excluded opposition parties and in practice are often handpicked by Frelimo officials. This is important because these councils help local government officials allocate the government's '7 billion' funds, which is a fund of 7 billion meticais (about US$260,000) provided by the central government to districts to support community projects.[32]

While some donors, like GIZ, work directly with the government-created consultative councils, others have sought to create parallel institutions. Swiss Development Cooperation is working in rural districts in Nampula and Cabo Delgado to promote community participation in decision-making about the provision of water and sanitation at district level and below. The Swiss-supported Progoas programme seeks to create local community groups with broad social representation, including women, farmers, traditional leaders, religious leaders. It then works with these groups to strengthen their capacity to formulate needs-based community plans that can be presented to local government authorities and can serve as a basis for community participation in government planning and budgeting processes. The programme also helps these groups to develop a capacity to monitor the implementation of the government plan at local level. A similar programme operates at the provincial level.

In GIZ's programme, support for participatory budgeting is linked to effective service delivery, transparency and institutional accountability, as citizens feel that they have more of an impact on local-level decision-making. Interestingly, GIZ's work with the government's local consultative councils has led to demand for the election of consultative council members in certain districts, including some in the province of Inhambane.[33]

8 The emerging role of non-traditional donors

Conspicuously absent from the G19 are a handful of 'non-traditional donors', including China, Brazil, India and Japan. These donors are not part of the G19 group of budget support donors and do not engage as active participants in the donor working groups or common funds. Although most of the G19 have strong and longstanding relationships with the government that give them considerable influence, the handful of significant non-traditional donors provide substantial amounts of aid and investment with no governance strings attached. This suggests some concern that the non-traditionals'

31 There are three formal subnational levels of government: 11 provinces, 43 municipalities, and 128 district administrations. There are also informal administrative posts, to which the district administrations provide services (Reaud and Weimer 2010).

32 For an empirically rich study that offers support for this criticism, see (Forquilha and Orre 2011: 35-53).

33 Interview with GIZ, Fall 2010.

policy of providing support for economic projects and infrastructure from a business rather than an aid perspective will undercut the efforts of the G19 to promote good governance and sustain the focus on poverty alleviation. However, according to a report by the Austrian Development Cooperation (2010), there is an effort by the long-standing donors to integrate these new donors into the current aid agreements, including the Paris Declaration.

This is particularly likely to hold true if recent projections about the yield from coal fields currently under development in Mozambique's northwestern Tete province are accurate. Mozambique's confirmed deposits of coking coal, used to make steel, would make it one of the world's largest coal producers. The deposits in one region of Tete—Moatize—alone are projected to yield some US$1.2 billion per year. It is expected that when additional mines currently under development come on line, the figure could be as high as US$10 billion per year in coal exports, which is roughly equal to the total current value of the Mozambican economy. Clearly, this would cause a seismic shift in the relationship between the government of Mozambique and its donors.

China's strategy of offering substantial, no strings attached funding for investment projects in exchange for raw materials is well-established elsewhere in Africa, and Mozambique is no exception. In 2010 China's Wuhan Iron and Steel Company spent US$8 billion to buy an 8 per cent share in Riversdale, an Australian mining company that is set to extract coking coal from the Zambeze mine in the northwestern province of Tete. India's Tata Steel owns 22 per cent of Riversdale, and the Brazilian firm CSN owns 16 per cent. China is also exploring the construction of corridors to transport the coal to ports on the Indian Ocean at Nacala and Beira (*Financial Times* 2010).

Brazil is another non-traditional donor with substantial interests in Mozambique. In addition to its 6 per cent share in Riversdale, the Brazilian mining company Vale is developing coalfields in another area of Tete province. Vale, the world's largest miner of ore, has secured the services of Professor Jeffrey Sachs and the Earth Institute at Columbia University to explore ways to integrate the development of these coalfields and the requisite transportation corridors into broader efforts to promote agricultural and community development in the surrounding region (Sachs 2011).[34] In addition to these investments in the mining sector, Brazilian firms have been involved in infrastructure rehabilitation in Mozambique since the immediate postwar period. Odebrecht, a Brazilian firm, is one of the largest companies in Africa and has held contracts for road rehabilitation and other infrastructure projects in Mozambique (*The Economist* 2010).

As a bilateral donor, Brazil is still operating on a very small scale. It has only recently become active in Mozambique, focusing on HIV/AIDS programmes. Brazil is not currently supporting democracy and governance activities, which fall outside of its scope of interests. Bilateral aid tends to focus on agriculture and health, However, state-backed private investments in infrastructure and energy sectors are substantial. According to *The Economist* (2010), Brazil has made state-backed loans totaling US$3.3 billion to Brazilian firms in developing countries. This, plus Brazil's modest bilateral and multilateral aid contributions, totals to some US$4 billion per year, which

34 In 2008 Vale provided a US$1.5 million grant to Columbia University's Law School and Earth Institute to create the Vale Center on Sustainable International Investment.

is comparable to the spending of well established OECD donors like Sweden and Canada. Though still small, bilateral aid from Brazil's official donor agency has tripled from 2008-10, and its humanitarian aid has risen by a factor of 20 in the same period.

Japan represents a special case in regards to donor support in Mozambique. For instance, it is not a member of the G19, and Japan does not provide general budget support. However, Japan is a member of the Development Assistance Committee (DAC), and is committed to the Paris Declaration on Aid Effectiveness, as well as several donor co-ordination efforts in Mozambique (DAC Peer Review 2010). In addition, Japan is currently seeking to create an alternative group of donors that will include non-traditional donors, such as China, India and Brazil. Japan's support focuses primarily for economic projects in areas such as infrastructure (especially agriculture), environment (climate change), and institutional capacity building in health and education.

9 Conclusion

Over the course of the last decade, the shift from project aid to budget support has had a profound impact on donor approaches to supporting democracy and governance. It has not been the only significant event in this regard. As we have discussed, the increasing dominance of the Frelimo party in the political realm and the ever more apparent weakness of the political opposition have contributed to a loss of enthusiasm among donors for supporting *political*, as opposed to *administrative*, aspects of democratic governance.

Budget support has demonstrated both positive and negative dimensions. On the one hand, it helped Mozambique's unusually large donor community find common ground, provides a written framework around which government priorities are organized and donor contributions harmonized, and creates an infrastructure of mutual accountability between donors and the government.On the other hand,because virtually *all* budget support is linked to the PARPA, whose overarching goal is poverty alleviation, the scope of support for democracy and governance is limited to those activities that have been directly linked to that goal. In Mozambique, that includes decentralization, public sector reform, and strengthened accountability mechanisms to improve transparency and combat corruption. Other areas, such as support to the media and civil society, political parties and elections, or the national assembly have been relegated to the margins. This is a natural and perhaps unavoidable by-product of the decision to build a consensus around a single, clear priority:poverty alleviation. The unintended consequence of strengthening state capacity, however, has been to strengthen the ruling party's grip on the state without comparable support for building the capacity of non-state actors to play the roles required of them for democracy to function.

Thus, the case of Mozambique raises the question of whether democracy and governance really do go together, or whether, in the context of weak oppositions, flawed elections, and states dominated by the executive, governance comes at the expense of democracy.

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Appendix

List of Interviews

The Association of Western European Parliamentarians (AWEPA), 30 June 2011

Austrian Development Cooperation (ADA), 28 June 2011

Canadian International Development Aid (CIDA), 28 June 2011

Department for International Development (DFID), 30 June 2011

Dutch Embassy, 30 June 2011

European Commission (EC), 29 June 2011

German Society for International Cooperation (GIZ), 24 June 2011

Japanese Embassy, 27 June 2011

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