

Alliance 2015

towards the eradication of poverty

The Impact of the Paris Declaration on Civil Society in Mozambique

An Alliance2015 report
By

Sara Methven
INTRAC
International NGO Training and Research Centre

March 2008



About this report and the research project

This report is part of a research project carried out by the Alliance2015 on the Aid Effectiveness and the Paris Declaration and the implementation in the education and governance sectors in case countries with a focus on effects for funding and policy spaces for Civil Society. The full study consists of the following reports:

A2015 Mozambique country study: Methven, Sara (INTRAC) (March 2008): The Impact of The Paris Declaration on Civil Society in Mozambique. *An Alliance2015 report*

A2015 Ghana country study: Addae-Boahene, Akwasi (November 2007) Ghana: Aid Effectiveness and the Education Sector: Implications for Civil Society. *An Alliance2015 report.*

A2015 Ghana country study: Akwetey, Emmanuel (IDEG)(December 2007): The Paris Declaration and Aid Effectiveness: Effect of Implementation on Civil Society Funding and Policy Space in Ghana. *An alliance2015 report.*

A2015 Nicaragua country study: Mauricio Gomez Lacayo and Carlos Alberto Benavente Gomez (INGES) (November 2007): Aid Effectiveness and the Paris Declaration: Impact on the Financing and participation of Civil Society Organisations in Nicaragua in the Education and Governance Sectors. *An Alliance2015 Report.*

A2015 Bolivia country study: Gomez, Javier (CEDLA) (January 2008 DRAFT): Situation of the Alignment and Ownership Process in Bolivia. *An Alliance2015 report.*

A2015 Synthesis report: Wright, Katie (INTRAC) (April 2008): Fostering Democratic Ownership – Towards Greater Impact on Poverty. *An Alliance2015 report.*

The research is organised and funded by the Alliance2015: www.alliance2015.org. The research project is coordinated by Lars Koch, IBIS: lk@ibis.dk. All rights reserved by Alliance2015. Reproduction and quoting is encouraged with due reference to the source.

Table of Contents

Executive Summary	4
1 The Mozambican case study objectives:	8
2 Mozambique: the context:	8
3 Donor Action towards the Paris Declaration:	10
4 The main actors in harmonisation and the Paris Declaration:	13
4.1 The G19.....	13
4.2 The other donors:.....	15
4.3 The main civil society actors	16
4.4 Government actors:	19
4.5 Hope for the future:.....	20
5 Changes in funding modalities.....	20
5.1 New funding mechanisms?	22
5.2 What is missing?.....	26
6 Ownership and the harmonisation:.....	28
6.1 Does the GoM own the PARPA?.....	29
7 The opportunities (and threats) to civil society participation in GoM policy:.....	32
7.1 The space.....	32
7.2 Attitudes to CSO participation: the theory and the reality.	33
8 Perspectives for CSOs to take on a broader role:.....	36
9 Conclusions: the chicken or the egg:	37
10 Recommendations	39
10.1 Recommendations targeting the High Level Forum:	39
10.2 Alliance2015 members: International advocacy messages:	39
10.3 Country level joint initiatives to build on the work by A2015 members and Trocaire /CAFOD:.....	40
10.4 Recommendations for Mozambican CSOs preparing for High Level Forum in Ghana.....	40
10.5 Practical strategic engagement to strengthen the capacity of civil society in the policy dialogue and accountability	41
10.6 Improve the nature of the CSO /Government dialogue in the key sectors: 41	
Acronyms and Abbreviations	44

Executive Summary

This report looks at the impact of the implementation of the Paris Declaration on civil society in Mozambique. The main focus of the report is whether there are significant changes experienced by CSOs working in the areas of HIV&AIDS and Education. The study has also considered the gender implications of any of the trends and changes.

There are two main questions which were examined to understand how donor harmonisation could or is affecting CSOs and civil society. Firstly whether the increased emphasis on the use of budget support direct to the Government of Mozambique results in less funding opportunities for CSOs. Secondly: has the implementation of the principals of the Paris Declaration which aim to improve aid effectiveness through national ownership of the policy agenda, increased opportunities for civil society to influence the policy agenda?

The study findings provide the basis for recommendations, which can be pursued, by the Alliance 2015 and their partners.

Summary of main findings:

The main findings are that harmonisation is not new in Mozambique, however since the signing of the Paris Declaration more donors are involved in working together on how they fund the programmes of the Government of Mozambique (GoM). However it is too early to assess whether the approaches adopted are making aid more effective. The main "winners" to date appear to be the donors who have streamlined their work with GoM and have achieved some efficiency gains in the process.

There is a strong sense that both the GoM and the donors continue to value both a mixed portfolio of budget support, with the Government encouraging off budget contributions as well. Although the mixed portfolio has its value, the overriding question is whether the effectiveness agenda can be adequately assessed in this situation. A second caveat to the study is that the Paris Declaration intersects with on-going GoM commitments to Millennium Development Goals, the poverty reduction strategy (PARPA) that are the focus of government targets. Thus distinguishing and attributing changes to the Paris Declaration is not a precise exercise. However it does appear that the general *gender blindness* of the Paris Declaration principles and the fragility of gender mainstreaming in government programmes, collude to reinforce, rather than reduce, an adequate discussion on how assessing effectiveness must address gender equity.

Whether there are significant changes in the role or capacity of civil society to influence national policies and poverty reduction agendas the study findings are "not as yet, but..." This capacity of civil society to influence is linked to the influence of the GoM on the policy agenda. At this early stage it appears that it is challenging for a heavily aid dependent country like Mozambique to negotiate with the G19 group of donors. The overarching GoM poverty reduction strategy is understood as heavily donor influenced, with the GoM having some say on the details of actual targets etc. In this context, there are some processes for civil society consultation, but the degree of influence is not easy to assess. There are a small number of CSOs that participate and despite being coalitions or umbrella organisations the degree to which they represent the views of their wider constituency is questionable.

Civil society does appear to have a greater role in "monitoring of policy implementation" and several new mechanisms means that civil society is invited

to participate in government/donor meetings. These mechanisms are different some more political in nature whereas in the sectors there are technical, expertise based dealing with policy implementation and coordination. The latter tend to be behind closed doors and focus more on policy content. From the small sample it appears that there is more scope for invited CSOs to be heard in the private, technical discussion for example around Education and quality issues. An exception to this is the National AIDS Council that does not appear to work with national CSOs in this way.

The open forums are in contrast, understood by most, as a theatre which legitimises a process rather than making a difference to the outcomes. The development observatories in Maputo and the provinces are seen to suffer by their open nature, with the discussion topics shaped by government interests. The lack of a framework which allows for decision-making or follow up and a current de-link from planning processes make this supposed process of dialogue between development actors a one off event where positions are stated, without any effective dialogue. The Ministry of Planning and Development (MPD) is planning to reform observatory process and more active encouragement and engagement by civil society would be helpful.

There is increasing interest in some parts of civil society to carry out separate monitoring of government implementation. This is a massive task given the emergent nature of government information systems such as SISTAFE¹ and at this stage would seem to be an inefficient use of scarce resources.

Civil society needs to become strategic about how to engage with openings that arise and use these as a way to develop the links between actors working on policy at the centre and those organisations which are at the frontline of operational work. Agenda setting within civil society should look more closely at what civil society will gain from engagement rather than merely marking a presence.

Civil society should advocate for a more meaningful framework for assessing effectiveness and performance by GoM before embarking on actual monitoring. Donors need to **maintain the pressure on GOM to improve the processes for developing policy to increase democratic ownership.**

The second area of study is whether there have been any significant changes in access to funding for CSOs. The answer here is also equivocal, yes there are some changes but the experience of CSOs varies broadly. In recent years there are less funds for CSOs to engage directly in Basis Education, due in part to a shift from post war reconstruction projects which involved CSOs as government counterparts to the global education policies which see the role of government as primarily responsible for education service delivery. The result is that less CSO are directly involved in education service provision activities but can bid for funds for school construction available under the Fast Track Initiative. There is no national level monitoring of who actually wins the bids under this scheme.

This is in contrast to HIV&AIDS where CSOs are seen as critical to the community frontline response. There are funds in the National AIDS Council (NAC) for civil society and private sector. The management of this fund is over-bureaucratic and as such the money is often described as frozen. After several years of poor management, the donors have now insisted on a new managing agent with the expectation that they will disburse funds more effectively. The national AIDS

¹ A government system for expenditure control and accounting in major ministries is yet to be operationalised at all levels in all province

umbrella organisation (MONASO) did not publicly complain about the low disbursement rates although they did support a few local initiatives which tried to show the inequity of the decision making process.

A noticeable area of growth for civil society funds is in the areas of governance and advocacy funds.

There is a new fund which will give its first grants this year to organisations demanding improved accountability and governance called the Civil Society Support Mechanism (MASC). A similar fund for education related advocacy is in the process of being designed by donors and INGOs. These new funds are currently managed from Maputo with some awareness of the need to develop structures and procedures which enable applications from the provinces. There is no clear gender dimension in the governance fund and this has resulted in the Women's forum to call for a separate fund for civil society and gender. It is assumed that the education funds linked to the Education for All programme will have a clear gender dimension.

More significantly there are some new funds available in the provinces: the Civil Society Development Facility (CSDF) provides grants and capacity building for projects that:

- Contribute to local socio-economic development and good governance and strengthening of civil society through supporting community-organised initiatives with funding and/or capacity building and information services.

This fund is able to work closely providing capacity building support as well as funds to emergent organisations. The study is not aware of this operating in other provinces. It could be a model for funding by INGOS and donors.

There is a sense in the some provinces that as a result of harmonisation, the donors have closed their area provincial offices from which some CSOs received funds. There is no complete information on this trend and for some the impact of this has been alleviated by an increase in INGOS moving from operational to partnership work and chasing local organisations.

Some donors are also beginning to apply selected Paris Declaration principles for example pooling funds to support three years work with larger, national level organisations. Thus some organisations have sought funds to support their strategic plans. There are limitations and risks to this approach, the potential effect being an instrumentalisation of CSOs who fine-tune their strategies to donor interests. Overall the clearer benefit is to the donors with reduced transaction costs.

Although there are no hard figures on the changes to date the nature and scope of the funds are certainly shifting. There is limited evidence that gender equality is being effectively mainstreamed into these shifts and this study supports the view of the women's forum that the concept of separate funding mechanisms be explored.

The current indications are that there is recognition of a potential role of civil society in demanding better governance and accountability; but in Mozambique there are a limited number of organisations effective in this area. The harmonisation processes appear to be creating new demands on civil society performance and offering incentives for CSOs to take on the challenge. There is limited reflection in civil society as to how they need to work or collaborate to

perform this function effectively: with the tendency to see this as another project. There are some exceptions to this; the new local governance forum is one. To avoid being instrumentalised civil society need to trade off their engagement in the accountability work with more rights in the policy process. This is a relatively new path for civil society in Mozambique: to be more strategically, assertive by identifying areas, where through their collaboration, they can access more leverage.

These summary recommendations focus on advocacy messages for the Alliance 2015 and its partners leading up to the High Level Forum and beyond. (More detailed recommendations can be found in section 10 below).

- 1. Civil society must advocate for inclusion in the development of a more meaningful framework for assessing aid effectiveness and the impact on poverty reduction.**
- 2. Deeper and broader participation by civil society: less consultation.**
3. The Government of Mozambique and donors should focus on **improving the processes and guidelines for civil society and parliamentary involvement** in setting the agenda for Mozambican policies; and
- 4. Establish a clear framework for assessing aid effectiveness and links to change in Mozambique. Broaden the range of stakeholders involved in assessing aid effectiveness**
- 5. Respect and support civil society 's diverse roles and contributions:**
6. **Address equity and inclusions through funding mechanisms:** For example, incentivise provincial and national work on gender inequality, women's right and policy innovation not only service delivery or advocacy

1 The Mozambican case study objectives:

INTRAC and two staff members from the Alliance 2015 carried out this study during January 2008.

The main objectives of the study were to:

- Analyse the implementation of the Paris declaration and the Aid Effectiveness agenda in Mozambique and specifically in the education and HIV&AIDS sector and how it is changing funding modalities for government and CSOs, and changing policy negotiations and decisions. A special attention to gender issues within the sectors should be included.
- Provide guidance for CSOs, networks and A2015 members' programmes in the two sectors in Mozambique to better understand and engage at the policy level in the two sectors and navigate in future fundraising.
- Provide input to the international and debate in A2015 member's home countries on the Paris agenda and CSOs and the changing roles between civil society and the state actors.

The findings of the study have to be understood in the light of a limited number of informants and limited time available to meet during the early part of Jan 2008, which is the long holiday for many Mozambican residents.

2 Mozambique: the context:

This section provides a very brief introduction to the Mozambican context. It provides a quick look at the current relationship between the government and civil society. A deeper analysis of the relationship will be addressed in the report when considering the impact of the PD on civil society. The general trends in the implementation of the Paris Declaration in the country complete the introduction.

The Mozambique success story is a well-rehearsed manta amongst the donors and IFIs. Official statistics from a household survey show that in the period 1999-2003, 69.4% of inhabitants lived below the poverty line while using a slightly different index, the results for the period 2003-2005 show 54.5%. Despite these positive shifts, the country remains very poor: occupying 168th place out of 177 in the most recent Human Development Report by UNDP (2007). There are also reservations about the nature and equitability of the growth. As Hanlon (2007)² notes in the introduction to a critique of the recent World Bank Study³ beneath the celebrations of successful economic growth is a paradox of instability and vulnerability.

"People's living standards are very insecure; half the rural people above the poverty line in 2002 had fallen below the line in 2005, to be replaced by others rising. Second, differentiation is increasing, with most of the growth in GDP going to the top 20%, while the spread between the poor, very poor and extremely poor is increasing."

2 Is Poverty Decreasing in Mozambique? Joseph Hanlon, Open University, England
Paper to be presented at the Inaugural Conference of the Instituto de Estudos Sociais e Económicos (IESE) in Maputo on 19 September 2007.

³ World Bank, *Beating the Odds: Sustaining Inclusion in a Growing Economy – A Mozambique Poverty, Gender and Social Assessment*, Washington: World Bank, Report 40048-MZ, 29 June 2007.

In this context of increasing donor support, there is likewise increasing concern about governance. The 2006 mid-year joint review between the government and donors highlighted the absence of progress in implementing the government's Anti-Corruption Strategy. Various reports on governance released in 2006 also pointed to alarming levels of corruption, lack of accountability, and the deficiencies of the justice system.

The World Bank similarly describes governance as the Achilles heel of Mozambique's success: "Performance on accountability and transparency in the public sector, the rule of law and on control of corruption remain weak" (WB: 2007: vii), and this is born out by other Governance Indices: in 2007 the Transparency International Index (TII) on perception of corruption was at 2.8 /10 (where 10 is lowest level of corruption)⁴ and in the TII Mozambique's position fell from 99 to 111 in one year.⁵ The recent Mo Ibrahim index on governance in Africa put Mozambique 23/48.

Meanwhile the more pressing concern for the population is the lack of jobs (highest rated problem), with less of a concern about HIV&AIDS (10th rated problem). Unemployment is a major issue in the country in both urban and rural areas. The prevalence of HIV&AIDS continues to increase in some areas, which reveals that despite Global Funds investment in AIDS, TB and Malaria the pandemic persists. There is a strong sense from those active in addressing HIV&AIDS issues that things are going to get worse before they get better. This is also seen in the reports from the centre of the country where prevalence rates have risen from 18.5% in 2001 to 26.5% by 2004 (NHDR 2007⁶).

Overall there is a clear need for civil society to take a stronger position in demanding more accountability from the government on performance in many areas and the inclusion of advocacy in proposals is becoming essential. The *incapacity* of civil society to hold the government to account is often noted without an assessment of what is constraining CSOs in taking on this role. Demanding accountability assumes that civil society has a degree of autonomy, which enables it to take positions, which may be contrary to government and donor views. For many CSOs this is not a field in which they wish to engage. To understand why this is, it is necessary to reflect on the nature of civil society's relationship with government.

It is inappropriate to talk of one relationship between the government of Mozambique and civil society. Civil society is a hugely varied group of actors, including trade unions (with governing party affiliations) through to local community based group lead by traditional leaders. The current relationships appear to be shaped by the government attitude, which is based on a level of tolerance and acceptance of the contributions that CSOs make, albeit in a traditional role of delivering services. The GoM have constant reminders of the role of NGOs in humanitarian and emergency relief in the crises of (almost) annual floods, as well as a role in service delivery. The latter role is seen as especially useful in the period of post-war reconstruction.

There is a newly emerging group of advocacy/policy dialogue type NGOs who are invited to participate in the spaces created by government. The general feeling is that these spaces are well used neither by CSOs nor by the government representatives. As yet there is a limited sense that these fora have nurtured

⁴ The scale is from 1-10 with 10 indicating low perception of corruption

⁵ DFID Mozambique Country governance analysis (October 2007)

⁶ National Human Development Report 2007 : Mozambique HIV AIDS: challenges and opportunities the response to HIV/AIDS

increased mutual trust between the sectors, which might be hoped for. At times it appears to be having the opposite effect. However these new spaces are new and despite their weaknesses it is too early to pass judgment on them.

3 Donor Action towards the Paris Declaration:

The current approach to harmonization is understood to have started at the end of the 20th century with a group of six donors (list), the G6 which by 2001 became G9 supplying harmonized funds to the tune of US\$127 m to the central government budget. The education sector benefited from a common fund as early as 1998. In 2007, the G19 donors committed US\$435 m to direct budget support (DBS), representing 23% of total external aid for 2008. This is an increase of 17.5% on the commitments for 2007. However as can be seen below this increase can be attributed to an increase in overall investment, as well as an increase in budget support. 60% of external aid is still channeled through projects, mainly EU, USAID (Millennium Challenge fund and PEPFAR), World Bank (International Development Association), etc.

Today, 19 donors work together as Programme Aid Partners (PAPs⁷ (list in footnote). This grouping, known as the G19, is moving towards the provision of **more aid directly to Government of Mozambique (GoM) programmes**. There are two main ways in which DBS is provided: General Budget Support (GBS) paid into the treasury and Sector-wide approach programmes (SWAPs) to priority programme areas through pooled funding for sector strategies. Education and Health and Agriculture ministries have their own strategic plans. In Education and Health the funds are broadly used to support basic education provision and primary health care work, which are linked to the achievement of the MDGs. These ministries receive support through the SWAPs and through general budget allocations via the treasury and through project support from the EC. In relation to the Mozambique government and PARPA⁸, (Action Plan to Reduce Absolute Poverty) these sectors are managed under the "human capital development" The issues of HIV&AIDS and gender are managed as crosscutting issues. HIV&AIDS has a separate budget line but gender does not.

⁷Total external support *planned* for 2008 is US\$ 1'900 m (rounded): this can be roughly compared to the levels of support in 2006 which are much lower and differently distributed as illustrated in the following table:

	2006		2008 (committed)	
	US\$m	%	US\$m	%
General budget	355.53	33.7%	435	23%
Common funds (includes SWAPS)	212.01	20.1%	320	17%
Projects	473.69	44.9%	1'145	60%
	1'055	(98.7%)	1'900	100%

Source: <http://www.odamoz.org.mz/>

⁷The current group: African Development Bank; Austria; Belgium; Canada; Denmark; European Commission; Finland; France ; Germany; Ireland; Italy ;Netherlands; Norway ; Portugal; Spain ; Sweden; Switzerland; United Kingdom; and World Bank

⁸ Plano de Acção para a Redução a Pobreza Absoluta

The table does however illustrate the continued support by donors for projects and technical assistance. In the latter case, a survey by OECD in 2006 revealed that only 36% of technical assistance was coordinated with government plans.

On the basis of the table it appears that project support will be maintained for the duration whereas there appears to be a reduction in the volumes for budget support.

The variation between the percentages provided to GBS and to Sector programmes is illustrative of a tension between the interests of the Sector and finance Ministries. Whereas the Ministry of Finance is keen to increase GBS, the social ministries such as health and education prefer to have more control over their budgets and receiving the funds directly is a preference for them.

In real terms there is a spectrum of type of aid with project aid at one end and DBS at the other. When it comes to assessing progress towards more internal national accountability in principle this is more likely to happen if the funds are provided through the budget, however this does assume that systems of internal accountability function and are open to scrutiny by the public. The differences between some of the aid modalities are illustrated in the table below. From this, it becomes clearer why a government would prefer more budget support as it provides them with more flexibility.

	Project	Sector budget support	Budget support
Accountability	Donor systems	Gov't systems	Gov't systems
Earmarking	Total	To sector budget	Varies
Conditionality	Limited	Sectoral	Varies
Fungability	Limited	Yes (unless conditions prevent)	Very high

(Adapted from AFRODAD 2007)

The donors in Mozambique continue to show some preference for sector budget support as it provides them with some guarantees that expenditure will be made in key areas. Projects are often used for major infrastructure investments where there are less recurrent costs. Overall the need to maintain a mixed portfolio of aid modalities is understood by both donors and government. This does beg the question of whether the "expected gains from harmonization" will ever be reached.

The following table shows this mixed nature of the commitments for Budget support, education and HIV&AIDS

Aid flows of donors by funding type 2005-2008 US\$

	2005	2006	2007	2008
Budget support	242,140.119	326,199.674	351,365,239	385,812.264
Education C/F*	5,014.934	23,701.843	48,483,733	71,249.281
HIV&AIDS C/F	14,075.835	25,052.488	23,292.722	22,189.045
Project	578,185.016	522,975.133	577,543.711	553,068.79
SWAP	65,521,052	42,370.469	34,458.976	13,120.871

* C/F = common fund

Source: Mozambique Donor Atlas 2006 Forecasts 2007 – 2010 **ODAmoz**15.08.2007
Alexander Bohr

In the Ministry of Education, decisions in relation to budgeting and allocation under the national strategy are made at Ministry level, with limited reference to the planning and budgeting done at district and provincial level. As a consequence of this central decision-making, the move to a more decentralised approach is less obvious in the Education and Health ministries than in the Ministry of Planning, which receives funds through direct budget support. The recent study by FDC for the Civicus⁹ Civil Society Index shows that most budget decision-making is centralized: only 3% of budget decisions were made a district level, 31% at provincial and 66% at central level.¹⁰ None of the budgets are gender disaggregated; this can in part reflect gender blindness in the harmonisation principles as well as the GoM. It is currently not possible to do a gender analysis of the budget.

Donor Profile in Mozambique

Despite what appears to be a significant shift amongst the G19 donors it is important to not lose sight of the bigger picture and how the behaviours of all donors will affect the potential gains and impact of the Paris Declaration. In the top three donors, two (WB/ IDA and USA) remain largely outside the harmonisation agenda. The EC is committed to harmonisation but continues to provide significant funding to projects as well as contributing to the Health SWAP. The following table illustrates how on balance the influence of the harmonization and alignment agenda was at outset of the process; the two non-harmonised donors shared US\$334m with the remainder sharing a total of next largest shared US\$633: The World Bank is now part of the G19 but was not in 2005.

Official Development Assistance (average in period 2004-5)

	<i>Source</i>	<i>US\$ millions</i>
1	IDA/WB	231
2	EC	162
3	USA	103
4	ADB	84
5	Sweden	74
6	UK	73
7	Denmark	66
8	Norway	65
9	Netherlands	60
10	Ireland	49

In a recent presentation by the Ministry of Cooperation the main comment was that despite harmonization: there are still a huge number of agencies and actors, of all shapes and sizes providing funds to Mozambique.

"295 INGOs, 12 multilaterals, 19 PAPs, USA, Japan, 10 new bi-laterals, China, India, Brasil, Libya. Etc."

Although civil society may wish to monitor the impact of the Paris Declaration on how aid is delivered and used, it should not forget the "others" who continue to be significant in size and number providing funds through projects and the even less transparent and complex areas of funds which are "off budget".

⁹ Civicus is the World Alliance for Citizen Participation: they have developed an index to map the state of civil societies

¹⁰ Eurodad(2008) uses slightly different information for 2006: 68% at central level; 27.8 at provincial, 3.8% at district and 1% for the municipalities

From all the data and tables on <http://odamoz.org.mz/>, it is possible to track, to some degree funds, which come through the harmonized system with CSO labels attached. There is one funding line (No. 92000) that shows budgets and projects for NGOs. There is also a budget line, (No. 15000) for Government and Civil Society; most of the projects under this line are EC. Of the 62 EC projects recorded on the database, 12 are (approx 20%) awarded to Non- State Actors. It is more problematic to distinguish whether funds go to international NGOs or national CSOs unless reviewed on a case-by-case basis.

The odamoz website is a useful tool for those who wish to monitor trends and shifts in the support to the government and how this is spent. It does not however present a full picture of the support available to CSOs or actually received: there are funds from international agencies that are provided direct to the NGOs that may not be registered on the site.

4 The main actors in harmonisation and the Paris Declaration:

4.1 The G19

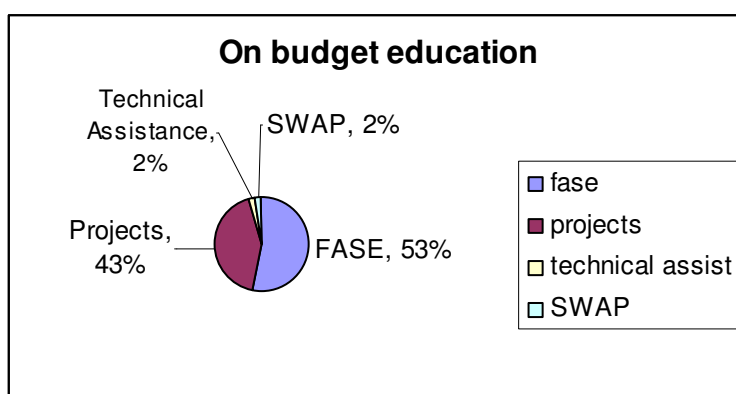
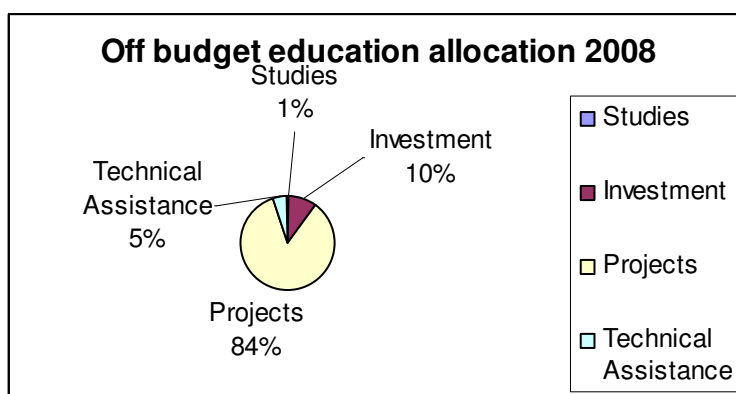
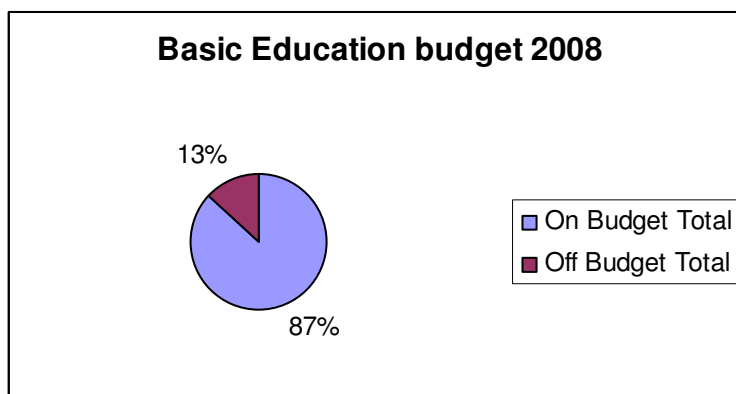
Members of the G19The donors are mainly the bilateral agencies from Europe, the African Development Bank, Canada (CIDA) and the World Bank¹¹. As shown above there are still significant donor agencies outside G19. USA and Japan, under their own national accountability policies, can not donate funds direct to another government but do have observer status at the PAPs meetings.

Within the G19 there is also a smaller group, the Troika who attend meetings with Government on behalf of the G19, the current chair is Norway and this will move to Ireland for the period 2008-2011.

The main donors who support the SWAP Education fund, (FASE) are: Netherlands, World Bank, Canada, DFID, Germany, Spain, Denmark, Italy and African Development Bank. Additional funds also received for FASE, but not through the SWAP come from Islamic Development Bank, Kuwait Fund, Arab Bank for Economic Development in Africa who supports projects in education as does the EC.

Donors are represented by the World Bank and the Netherlands in donor/government coordination for Education. The ratios are as follows:

¹¹ The current group: African Development Bank; Austria; Belgium; Canada; Denmark; European Commission; Finland; France ; Germany; Ireland; Italy ;Netherlands; Norway ; Portugal; Spain ; Sweden; Switzerland; United Kingdom; and World Bank



In relation to the funding for HIV&AIDS there is a common fund for the NAC/ CNCS, with the following donors:

	US\$	Jan 08
Canada	1,979.250	Approved
Denmark	1.377.422	Approved
Ireland	2.568.655	Approved
Sweden	1.865.813	Approved
UK	1.480.456	Approved
World Bank	10.500.000	Waiting approval
Germany	1.937.272	Approved
Global Fund	440.388	Waiting approval

Source DfID 2008

In addition there are also funds from USAID and PEPFAR.

Within the G19 there is a division of sector responsibilities, for example Education is lead by the Netherlands. Ireland has overall oversight on "poverty reduction". Gender is mainstreamed but none of the G19 has responsibility for oversight of gender dimensions of harmonisation.

There is a clear structure and hierarchy for the levels of interface between the GoM and the donors:

The Heads of Mission are tasked with overall decision-making but most importantly they represent the PAPS at political level dialogue and assessing 'underlying principles'. The Heads of Cooperation are responsible for agreeing strategies and targets with the GoM. There is limited information available to the public on the "high level political" discussions between the Heads of Mission and the government.

The structure suggests that for the donors at least harmonisation is to some extent allowing them to share costs and tasks more effectively, with of course reduced transaction costs.

4.2 The other donors:

The main donor outside the G19 is USAID. They acknowledge that the harmonisation efforts are having an indirect impact on their ways of working. Attendance at Government /Donor meetings allow them to make decisions which reduce the risk of duplication and enables them identify gaps that can be filled with USA funding sources.

Of increasing influence are the "non-aligned" donors such as China, Brasil and India¹² that are seen as unlikely to be influenced by either the harmonisation agenda or programmatic support. The degree and volumes of their support tend to be negotiated by the GoM on a case-by-case basis and provide a certain room for manoeuvre.

In conclusion it can be seen there is a growing band of donors directly and indirectly influenced by the harmonisation agenda. This does not come without tensions, now the donor agenda and decision-making require an overall consensus amongst the players. To some extent providing funds with more predictability (at least three years commitment) means that the G19 funds are not as flexible as the GoM might prefer. There appears to be an implicit trade-off within the "predictability" of G19 funds and the way in which funds are fully tied to the GoM's, MDG commitments. There is still a degree of diversity in the portfolio of aid delivery which appears to be popular with all parties.

Overall it is recognised that the GoM works with the PAPs on the basis of the harmonisation agenda, but in the absence of an overall GoM donor strategy, GoM maintains a flexible approach to other potential donations from various sources. As a strategy to maximise receipts it is valid. However, it does raise the question as to the extent to which the effectiveness or efficiency gains made possible by the Paris Declaration have an impact overall. The administrative burden of working with multiple actors and various projects remains high.

¹² China provided funding for two agricultural training centres in Jan 2008 and the departing Brazilian ambassador promised the long awaited support for an ARV factory in the same month.

4.3 The main civil society actors

In Mozambique, as in every other country, it is impossible to speak of a homogenous civil society. It is critical to understand what makes up the organisations of civil society in Mozambique by considering their origin and development trajectories and approaches they use as well as considering the space available for them to act.

A recent survey of the non-profit sector by INE revealed that of the circa 4850 registered not-for-profit organisations most of these were associations (of which approx 50% were of religious nature) with the second largest group described as "political associations" which includes the trade unions and the party organisations such the Women's and Youth Organisations, OMM and OJM respectively. These studies show that the percentage of *professional* organisations, national and international NGOs represent a relatively small proportion of what is called civil society.

- 3.1% are National NGOs
- 3.9% are International NGOs
- 0.4% are Foundations

However small this group is, it is the national NGOs, foundations and think-tanks that tend to be the organisations referred to as civil society by donors and government either as their collaborators or potential adversaries. The indicative findings from the 2007 Civicus study¹³ show that in relation to the impact of organisations their capacity to respond to citizens needs and capacity to influence policy were each rated at 0.7 out of a potential 2 points. The draft Civicus report does not analyse whether the sample of respondent organisations accounts for this, as a commonly held perception is that organisations are more focused on service delivery than on policy and advocacy work.

Civil Society Engagement with the Paris Declaration

In **relation to the Paris Declaration**, the number of civil society actors that that are involved in dialogue between government and civil society is small. This is attributed to the *newness* of the opportunity and to a lack of interest. Most of the dialogue mechanisms have been developed relatively recently and are consultative in nature. These mechanisms and the nature of engagement are considered in more detail below.

In general the actors involved in donor policy discussions, respond to invites from government departments rather than demanding a right to participation. There are very few organisations (G20, GMD and UNAC) who engage with the budget formulation or monitoring process. The coalition G20 was created with the express purpose of being a platform for engaging with the government on key issues related to poverty reduction strategy (PARPA):

G20 objectives are to:

- *Facilitate the participation of civil society in the Poverty Observatory (PO now known as development observatories)*
- *Coordinate the process of the elaboration of the Annual Poverty Report,*

¹³ The study was completed in 2007, but the report is incomplete, as such, the information must be understood as indicative.

- *Facilitate the engagement of CSOs in the analysis and debate of public policies (principally, PARPA), and*
- *Contribute to capacity building on the issue of advocacy, negotiation with State powers.*

The founding members were drawn from a cross-section of non-state actors including the TUs, the religious representative bodies, research institutes, specialised NGOs and networks.¹⁴ The coordinating body maintains this link, including most of the founding members. There is now a secretariat hosted by FDC, one of the founding members.

Established in Maputo in 2003, the 'observatory mechanism' is designed to enable a civil society /government review of progress on poverty reduction. The Maputo observatory was followed by the creation of provincial observatories in 2005, which intended to enable review and dialogue between CSOs and provincial government departments. The existence of provincial forums has to date not been very successful at including a more diverse set of organisations. A recent Maputo event to prepare for the Ghana high level forum had a wide range of invitees, but in reality there is a sense of the *usual suspects* attending. In profile the "usual suspects" tend to be the Maputo based coalitions such as the Mozambique Debt Group (GMD), the G20 and to a much less extent the more thematic networks such as the Women's Forum. The details of harmonisation and donor /government relations, does not appear to draw in a large crowd. Of greater concern is that even those that do attend do not necessarily believe that the dialogue is meaningful.

Given the limited range of organisations actively involved in the Government /donor harmonisation debates and the joint reviews it is important to understand who these platforms represent.

G20 is perhaps the most controversial in its composition. There are some stakeholders who question whether G20 can be called a CSO mainly because of the profile of FDC, (Foundation for Community Development) one of its key members. FDC is led by a long serving, leading member of the governing Frelimo party. The G20 secretariat staff is paid by FDC.

There are also questions about how representative the networks and coalitions are of their membership or broader civil society. In the recent CIVICUS survey 72.1% of respondents had not heard of FDC. The same survey revealed that only 22% of the organisations had links to national networks. 4% of the organisations responding to the INE survey used as a baseline in Civicus said they had numerous international links¹⁵.

Although FDC's position in the G20 platform was seen as helpful in the initial stages some commentators consider it is now occupying the space too much; and that their leadership role encourages a degree of self-censorship. This creates a

¹⁴ Coordination of G20: Association for Biodiversity and Sustainable development (ABIODES); Christian Council of Mozambique (CCM); Confederation of Economic Associations, Community development Foundation (FDC); Southern Cross : research association Mozambique Debt Group (GMD); National Farmers Union (UNAC).

¹⁵ The INE survey CINSFLU 2003 INE (2006: 99) indicated that 14% of CSOs were affiliated to international organisations.

sense that the issues raised have already been decided by FDC. These unwritten boundaries are creating a sense of frustration amongst both members of G20 and observers of the observatory processes.

Although the other thematic networks or umbrella organisations may not appear at Paris Declaration review meetings, they do engage with the government on a sector basis. For HIV&AIDS the main network for national organisations is MONASO, with a separate "network" for INGOs. There is also a network for people living with HIV&AIDS -, RENSIDA. The main interlocutor between the Education Ministry and civil society is MEPT (Movement for Education for All) which has both INGOs and NGOs in the coalition. Gender is seen by all to be the territory of the Women's Forum within the G20 and beyond.

There are similar questions over the autonomy of MONASO, the umbrella organisation for HIV&AIDS organisations, which although it has a mandate for advocacy is seen by many as a QUANGO or GONGO¹⁶. As such they interpret their advocacy mandate narrowly, supporting members in local initiatives but not taking on broader nationwide issues. Their interest and capacity to criticise or hold the government to account appears to be framed by the fact that their founding members, who are now on the Board tend to be staff in the Ministry of Health.

The capacity to develop and follow an independent agenda is clearly challenging to the coalitions. A further example of this is MEPT, a movement largely emerging from INGOs working in education that wanted to see more campaigning and advocacy around basic education. It receives financial and technical support from international donors and by some is seen to be lead by a more international than local agenda. MATRAM, whose emergence came from exposure to the South Africa Access to Treatment (ACT) campaign is also better linked to international arenas than local.

In relation to gender and there is an overriding tendency to refer to the Women's Forum, which is well-established, has a reputation for raising issues at different levels as well as using the media, to express their concerns about gender. With support from UNIFEM and Irish Aid they recently held a conference on the Aid Effectiveness and Gender equality in Mozambique that resulted in an ambitious set of gender-related targets for government and donors¹⁷.

The horizontal relationships between these networks and platforms could also be more effective. Some like GMD and G20 have an overlapping membership, whereas others, like MEPT and MATRAM (movement for access to treatment) seem to be better linked to INGOs and international arenas. In the HIV&AIDS group there appear to be overlapping missions and agendas but limited collaboration and increasing sense of competition and demarcation of areas of focus. This gives the impression of fragmentation and does not provide a strong basis for developing shared agendas.

There is a need for civil society to start behaving more like civil society developing complementary and strategic relationships between themselves, rather than covering the same ground. A good example of this would be an alliance of MEPT with CIP (Centre for Public Integrity) that launched a campaign in 2007 about corrupt practice in education.

¹⁶ Quasi NGO or Government created (and controlled) NGO

¹⁷ No report was available at the time of the study, summary conclusions and recommendations were available only.

As with coalitions and platforms throughout Africa, there is a tendency for the secretariat to take over the operationalisation of strategy and spend less time mobilising their membership to participate. Thus questions of representativity, legitimacy and capacity are a constant threat to their meaningful engagement. The government attitude towards these groups tends to be permissive and in return it appears that the groups themselves are "well behaved".

It is hard to dispute the fact that civil society needs more capacity to fulfil its roles effectively but it is equally important to ensure that such efforts need to address skills development and be clear about the political nature of the challenges. Support to these organisations must focus on supporting them to become autonomous agents of change with independent agendas.

Looking at these organisations more closely reveals something about the quality of engagement which is possible in the spaces which have been to differing degrees been *donated* or at least "encouraged" by the PAPs and INGOs and then in some cases "occupied" by organisations with strong links to the government.

This has to be interpreted in light of the stage of Mozambique's democratic development and the relatively recent emergence of civil society. Most of these platforms and representative organisations are less than 10 years old and it is important to keep in mind the potential rather than the current capacity. Working strategically on the issues of representativity and internal accountability must involve their membership in civil society. Membership and constituency must be included in defining and/or endorsing the agenda. Amongst the range of civil society actors there are some with more independent views who have potential to create and shape a real debate with appropriate support and space and reasonable expectations.

4.4 Government actors:

The key actors in the government in relation to donor mechanisms are the Ministry of Planning and Development (MPD), the Ministry of Finance (MF) and the Ministry of Foreign Affairs (MFA). The relatively recent separation of the Planning and Finance ministries is understood by many as creating a new challenge in the on-going process of linking planning and budgeting which is at the roots of improving accountability and effectiveness. The MPD is the driver behind the observatory mechanisms for civil society and government accountability for which they receive support from UNDP.

As the PAPs provide support to separate Ministries these are also key actors in the discussions about quantity and quality of aid. As stated above, **the line ministries tend to make most decisions in relation to policy and allocation at the centre.** The involvement of CSOs in budgeting is very limited and ad-hoc in nature. Recently the Education Ministry invited MEPT at short notice to comment on whether they felt the budget for basic education was adequate. MEPT needless to say did not feel confident or prepared to comment. There are also opportunities for consultation and coordination at provincial level. There are some discussions around policy content.

The key government body in relation to HIV&AIDS is CNCS (National AIDS Council/NAC), which does not have a formal structure for consulting civil society although it does do joint work at times on project appraisal. As a body they do not appear to be open to feedback or debate with civil society. They have a structure which reaches to the district but are essentially accountable to political positions: the prime minister, provincial governors etc.

In relation to the government actors in summary there are a range of different ways in which the key actors meet and consult.

- The Ministry of Planning and Development (MPD), respective provincial departments, invited CSOs through the G20 to the observatories (tendency for GoM to outnumber CSOs).
- The MEC and provincial education directorates have discussions with INGO and National NGOs for the purposes of coordination and occasionally education policy content issues. MEPT represent civil society in the working groups for the joint reviews.
- The NAC does not have an established structure for talking to civil society nor were civil society represented in the most recent annual joint review of the *aide memoire* for HIV&AIDS.

What appears to be missing from this triangle of interlocking actors is any direct relationship between civil society and the donors. There is a tri-partite involvement in the PAP Joint Review process. There are of course bi-lateral conversations between the donors and CSOs that receive funds. There is no formal interface between civil society and donors to talk about governance and accountability. This was never envisaged in the harmonisation process, which has focused on the development of spaces for government/ civil society dialogue. It is not clear that the donors would accept such a dialogue but given what has been said about the "captured space", something different should happen to allow more voice.

4.5 Hope for the future:

There is a new initiative which is under development by a range of civil society actors, who wrote an open letter to the government last year, about the lack of opportunities for real debate and proposed the creation of a national platform for dialogue on local governance issues. Following a meeting the National Director of Planning and Budgeting the group also approached the donors. They have received funding from the Swiss Development Cooperation. There is some sense that the CSOs were pushing an open door, which they maybe thought didn't exist.

New National Platform for local governance:

The platform aims to:

Enhance the decentralisation and district planning processes by: taking a clearer position as civil society and,

Contributing to better quality of training; information, dissemination and monitoring.

The platform will share information with the donor coordination group on local governance,

The expected result is that donors will have an alternative lens through which to understand the realities of local processes.

As well as providing for dialogue with donors it is hoped that the platform will increase its own understanding of accountability and be able to apply this to their organisations as well working with the external actors. It is seen as challenging and has potential to put these organisations in a spotlight of internal as well as external legitimacy. This is a first of its kind in Mozambique and shows that there is interest and space for a more proactive role by CSOs in **capturing new space** and working creatively to reduce the risk of 'elite capture'.

5 Changes in funding modalities

The sections above illustrate a clear preference in the G19 for funding through government while other major donors are sticking with project and off budget funding. A key question for this study is whether this shift has an impact on the funding for civil society. There are several ways in which civil society funding could change:

- changes in funding from Government for sub-contracting service delivery,
- changes in funding directly from donors to CSOs and finally
- changes in funding through intermediaries e.g. NGOs or funding mechanisms.

The study experienced several challenges in gathering evidence or knowledge of the trends from CSOs not least due to the limited number of organisations it was possible to meet in two weeks. More critically most CSOs have relatively short-term experience of funding modalities and find it difficult to spot or analyse trends except from direct and individual experience. Over and above this prior to donor harmonisation there was very little systematic tracking of NGO sources of funding. Some records of NGO funding were kept at provincial level and larger funds registered with the Ministry of Foreign Affairs but there is no link between this data.

There is certainly a case to be made for civil society monitoring of changes in funds available over the next phase, post Ghana, and if there are significant findings this could be a basis for international advocacy. In the meantime there is evidence from studies and practice that there are increasing funds available for Mozambican civil society. It is necessary to explore the nature and purpose of these funds in order to conclude on whether it is business as usual or not.

Two recent studies have looked at funding for civil society. The national Civicus study, which could provide a baseline for monitoring future trends, gives an indication of the sources of funding for CSOs in Mozambique:

3% of CSO funds come from government in the form of sub-contracts or subsidies.

70% of civil society funds have international origin: bilateral and INGO, foundations etc.

And more interestingly:

1% of the CSOs get 42% of the total financial resources (approx 50 organisations)¹⁸.

A regional study by the Southern Africa Trust (SAT) concluded that there is now more money available to national CSOs, much of which is available through new mechanisms and funds being set up by donors.

It would appear to be safe to conclude that even if CSOs tried access to more funds through the government; it would take a long time for this to become a significant source of funding. A second question not answered by the SAT study, is whether funds being allocated to the new mechanisms is actually *new* money? There are new mechanisms being developed in Mozambique and in this case it is important to look at nature of this funding, how this is changing and what is the potential impact on CSOs.

¹⁸ Unfortunately there is no geographic breakdown of where these 50 organisations are.

5.1 New funding mechanisms?

In Mozambique dedicated civil society funding mechanisms are a relatively new phenomenon although the donors have been working with this in other countries and are in the process of trying to introduce them to Mozambique. The main *new* fund, \$13 million for five year, is **a civil society support mechanism** (MASC¹⁹), co- sponsored by DFID and Irish Aid.

The overall aim of the fund is to support initiatives, **which aims to fortify and diversify civil society's capacity to demand improved governance and accountability**. From the donor's perspective the aim is to involve civil society in demanding more accountability from the government at all levels. This is seen as a way to attack the Achilles heel on low performance in governance, and ultimately policy delivery. The new fund has yet to give its first grants, but it has published a call for proposals to which national and international CSOs can apply. It will be interesting to monitor the way in which this fund is allocated. There are regional points of contact to avoid the fund becoming "captured" by organisations based in Maputo.

The Commonwealth Education Foundation (CEF), who with the support of DFID and INGOs has done a study of funding mechanisms, is proposing a similar fund. The study recommends that a **fund be established to support education advocacy** work in 2008.

Basket funds for individuals CSOs are also appearing on the landscape. Donors are pooling funds to support what they classify as key umbrella organisations with a national remit. Thus MONASO received funding for their strategic plan from various sources including DFID, Irish Aid and several INGOs. MATRAM, which campaigns for access to treatment also benefits from a common fund. CIP has a common fund of almost \$2 million for their three- year strategic plan with support from DFID, Swiss Cooperation, the Danish, Dutch, and Swedish Embassies. The Centre's role fits clearly within the accountability and anti-corruption agenda.

Although funds to support strategic plans have been much sought after by CSOs, there is the risk that with this in mind, strategic plans are tailor-made to donor interests, becoming more of a tool for marketing than strategic development. It can be anticipated that the increased emphasis by donors on advocacy, will be similarly reflected in the plans of CSOs. The real question is their ability to deliver on this in a meaningful way.

Across these new funding modalities, as well as promoting accountability, there is an interest in linking the centre to the provincial initiatives and vice versa. Funding is being used to encourage organisations to make stronger links with constituencies and increase their own legitimacy. The agreements are understood to be results based. The downside of these funds is that the negotiations can be quite extensive. To a great extent the organisations that are able to access these funds have to be reasonably well established and have alternative funds to bridge the drawn out negotiation stages. Although these pooled funds are understood to reduce transaction costs during their term, there is certainly a lot of upfront investment in time by all parties concerned. The limited numbers of organisations able to absorb the fund volumes may become an issue over time.

In terms of transparency, information about these new mechanisms appears reasonably well disseminated via websites and newspapers, but not all these organisations have their own websites.

¹⁹ (Mecanismo para apoio sociedade civil)

These new mechanisms are to a great extent centrally managed and oriented to national organisations with outreach. **What of the provinces?**

Changes at provincial level are slightly different. One clear impact of the PD principles relates to the way in which **donors relate to provinces**. Pre-harmonisation the donors often concentrated in specific provinces. For example Danida worked with government and civil society (INGO and NGOs) in Zambezia, Cabo Delgado and Tete provinces. This “provincial” approach appears to be slowly disappearing. In Nampula the shift has been felt quite strongly, as for several years there were delegations from both the Dutch and Swiss Embassies, with some budget for support local initiatives. These delegations have mostly closed, although Irish Aid still maintains provincial bases including two civil society support funds in Inhambane and Niassa.

It is not clear how much longer these provincial focused projects will be defensible under the Paris Declaration principles. However for the donor agencies, they provide a unique insight into the world beyond Maputo, and give them first hand experience exposure to the progress on poverty reduction. Given that in the G19, Irish Aid takes the lead on pro-poor resource allocation and the impact of GBS on the poor, their presence in the provinces working with both government institutions and civil society can provide good evidence on the effectiveness of government roll out and impact. Whether this argument will be sufficient to maintain this approach in future stages of harmonisation is not clear. Donor missions are already being asked to prioritise three sectors for their support. From the perspective of understanding the impacts of harmonisation the continued presence of the Irish delegations would provide an interesting opportunity for a comparative study of differences between provinces on access to funds.

A second notable trend is that of INGOs leaving the provinces. The reasons for this are multiple and amongst others INGOs:

- Want to focus on the centralised policy forums;
- Are under pressure to change their role from “operational” to facilitator of partners results and impact,
- As a consequence they have less funds for operational costs and they downsize with less local offices and projects.

From Nampula the impact of this is that the local CSOs who have traditionally had financial and technical support from locally based INGOs have experienced a reduction in access to support from INGOs.

The scale and impact of this change are impossible to assess. The findings are based more on perceptions than generalised evidence. Ho however it is also counterbalanced by perceptions from other provinces that for experienced and established development organisations, more funding is available. Funders (INGOs and foundations) are ‘beating a path to their door’ - albeit not to support their mission but to ask for support to achieve their own goals. This is not a new phenomenon, but perhaps, as there is increasing pressure on INGO from their own donors to move out of operational work, funds and ideas chasing local implementing partners may be on the increase.

A further source of funding available to district CSOs in Nampula is the Civil Society Development Facility (CSDF), funded by HIVOS, Oxfam Novib, Netherlands government and most recently CONCERN and CIDA CANADA.

This is a demand-driven grant-making and information facility for CBOs working in the districts of Nampula.

- The programme aims to contribute to local socio-economic development and good governance and strengthening of civil society through supporting community-organised initiatives with funding and/or capacity building and information services.
- There is a maximum of €10k but average funding is €2k.
- The CSDF works with all other district development actors to improve complementarity, collaboration and learning.
- There are annual evaluation meetings at district level, which includes the consultative council and other stakeholders for learning and fine-tuning of performance.

Overall there appears to be evidence of funds being made available through new mechanisms. There is limited evidence that this represents an increase in real terms. The design of nationally managed funds, are attempting to avoid the risk of "capture" by a few national organisations. However their focus may by its nature be exclusive as not all organisations include accountability in their work.

The study is not aware of such funds in other provinces. The fund in Nampula is a good example of the meeting the needs of emergent and district level organisations.

Education and HIV&AIDS focused funds:

Funding for CSOs involved **in service delivery** is examined with reference to funds for HIV&AIDS and to a lesser extent for education. In education the donors share the view that overall education delivery under FASE is primarily a government responsibility.

In contrast for HIV&AIDS, in theory there are funds for CSOs via CNCS both nationally and provincially but the management has been a source of great frustration.

NGOS and Education: in the post war reconstruction period both international and national NGOs complemented the 'governments education work. Although the running of schools has always been a government responsibility there were several ways in which NGOs supported access to and quality of education provision: supporting teacher training; provision and distribution of school materials; facilitation and training for school management committees or councils. Many of these functions have been taken over by the Ministry of Education and Culture and to large extent it is understood to be performing reasonably well.

The development of school councils is considered a long-term and semi-permanent process. It is not clear what would happen if there were no project (non- SWAP) funds for this. Currently, Concern still receives EC funds for their education work, although is not clear how long this will continue. There are also no signs that it will stop as the EU continues to use project funding.

A second potential source of funding for NGOs is under the Fast Track initiative (FTI) for school construction, where they can bid alongside commercial companies. CBOs are also seen as potential participants in construction. Information on the contract awarded and to whom is not available at national level, though it should be possible to find this out at provincial level.

Although Education has benefited from increased GoM investment as early as the 1999 via a SWAP, one of the impacts of this is that some INGOs have withdrawn from education and school building work, as it is understood that there are sufficient funds in the government. However even though funds are available,

there is a strong perception that the funds do not always reach those in need. One example from Zambia is that 91% of the funds for school construction under FTI were not used. The Ministry is aware of these bottlenecks, and efforts are underway to improve disbursement.

Overall there is very little data that can be used to assess the significance of changes in these areas.

CSOS and HIV&AIDS: A similar situation is apparent in HIV&AIDS funding where poor a data and limited transparency typifies funding to CSOs working on the frontline of HIV&AIDS from CNCS.

In terms of work to address HIV&AIDS, CSOs and particularly CBOs are understood to have a key role in both prevention and mitigation efforts at community level. In Southern Africa generally, CSOs have a good reputation for working on the frontline of the response to HIV&AIDS. They are seen as better-positioned and able to work at community level mobilising people for tests, care and support to Orphans and Vulnerable Children OVCs, Home Based Care (HBC) etc. In Mozambique the National AIDS Council (NAC/CNCS) is supposed to channel funds in the form of grants to local initiatives, to government, private sector and NGOs. Although there is significant funding "available" through this government mechanism, the level of confidence in its ability to deliver is low. One result of this is that INGOs are still engaged in working on the frontline with community self help groups, and some American Private Voluntary Organisations can continue to defend the provision of parallel health services.

The funds for HIV&AIDS are often described as "frozen". Many CSOs comment on how CNCS's bureaucratic procedures can effectively deter or exclude applications. There is a strong perception amongst CSOs that some of the money destined for CSOs is allocated to non-existent organisations or quasi-governmental bodies such as OMM and OJM. The CNCS website does not contain useful information about disbursement patterns. The donors are confident that they have sufficient information but this is not in the public domain.

Missed opportunities for civil society voice

Despite a general level of dissatisfaction with the fund management there is limited evidence that CSOs worked collectively to voice their concerns about the mismanagement of the funds at provincial level¹.

The national umbrella for AIDS Service Organisations MONASO, claimed it was too difficult to collect reliable evidence on funding and finance decisions to make a case.

However **change is imminent:** the low disbursement levels, are shocking in a country with HIV&AIDS prevalence rates which are predicted to still be rising albeit it at a slower rate (2002 13.3% rising to 16.3% in 2004). This has lead the common fund donors to take action. A new agency will take over the grant management aspect, with CNCS taking on more of a monitoring role.

The common fund will have a harmonised reporting mechanism that should allow CNCS and the new granting agency to streamline their upward accountability. It is **not clear whether downward accountability will be similarly secured.** CNCS will continue to manage the global fund separately.

Overall the CNCS donors consider that although there was much informal discussion and dissatisfaction with the rate of disbursement and the nature of projects funded, civil society remained very quiet and in fact made no formal demands for change. Although the donors would have been open to civil society

voice, no demands for change were made. MONASO claimed that it was difficult to get real data on how funds were disbursed: Over and above this there are layers of alternative explanations which illustrate how it is challenging for CSOs to genuinely confront poor performance in government departments:

- CNCS is a “political organisation” linked to provincial and national party leadership.
- MONASO has close ties with the government;
- MONASOs memberships is not sufficiently empowered or involved in setting MONASOs agenda.
- Some members do get funds from CNCS.
- The HIV&AIDS civil society actors are fragmented: RENSIDA, MATRAM and MONASO do not work together as a strategic alliance. In fact, they are often in competition.

These challenges must be acknowledged but they also provide grounds for improving civil society performance and strategic engagement:

There may be yet more factors, which prevented a collective campaign by civil society. It remains to be seen whether new fund operational from April 2008 will perform better and whether civil society will prepare to monitor performance effectively.

It appears from this brief overview of funding for CSOs, that although there is **limited sense of a change in volume of funds** available, the nature and purpose of the funds and modalities are certainly changing. The use of pooled funding for certain types of organisations, often initiated by a call for expressions of interest in the donor’s agenda, is becoming more common.

To some extent it appears that the donors are using the Paris Declaration principles in their work with civil society. Funding is provided for three years or more and is linked to agreed results. There is more evidence of alignment (support to strategic plans), harmonisation of reporting needs and some predictability. There is less evidence however of mechanisms for mutual accountability or real ownership. Some CSOs feel that the donors come with their agenda and are not willing to dialogue or negotiate. The organisations that can access this type of direct donor support have to be reasonably well established and able to absorb significant volumes of funds.

There are indications that where government funds are being disbursed through civil society organisations, there is limited transparency about how the decisions are made and who the beneficiaries are. To date transparency has focused more on reporting levels of disbursement rather than final destination and outcomes. If the donors and GOM tend to consider disbursement as a proxy indicator of effective aid, there is a need for more open information about who gets the money, which would enable more of a discussion about value for money and effectiveness. Some of this information is available on odamoz, but the actual disbursements from the NAC common fund are harder to trace.

It is too early to judge the contribution that the common funds via MASC will make. A real test for civil society will be whether it can take leadership of these funding mechanisms and begin to set the agenda in relation to how the funds can best be applied.

5.2 What is missing?

There appears to be a change in the types of activities that are funded, with more emphasis on accountability and more competition for funds for service delivery through local tendering and local decisions (FTI and to some extent CNCS).

Although the new money is oriented towards governance it is not possible to say whether this has eclipsed the volumes of funds for service delivery which appears to be reducing.

The increasing interest in governance offers donors the potential to work with a broader range of civil society actors, including watchdogs, the media and trade unions. At face value this is a positive move, though it remains to be seen how many organisations can access this type of funding.

80% of Mozambican children experience huge barriers on entering primary school: the language of tuition is Portuguese but for these children their first language from the home is not Portuguese.

In two provinces, Progresso implemented a programme where children started learning in maternal language and learnt Portuguese as a subject. The results – less failure in the classes has encouraged MEC to expand the pilot the approach in new provinces in view of setting a new entry level curricula.

Progresso has also developed a teacher training methodology that is also being spread throughout the country

What appears to be missing in these two extreme regimes, are funds for innovation, for example developing through fieldwork new ways of working in primary education etc. One of the more established Education CSOs, working on primary school curricula and local language tuition commented that although their current funding streams from bilateral donors are stable, they have noticed lower numbers of INGOs based in country able to support them. They are conscious, that in the future, the role of CSOs as innovators may be lost. The risk

is that as CSOs become more involved in policy dialogue they have less contact with operational work and with organisations with real experience of creating new methods through action research. The net result is less real evidence to support policy positions. There is a clear need for strategic relationships between the operational and advocacy oriented CSOs. The question remains as to what really needs to be in place for CSO to have a role in experimenting and learning from alternative development methods.

The above organisation has traditionally been very successful in using its field-based work as the basis for discussions and input into policy and curriculum development:

Key factors which are understood to enable Progresso to influence MEC:

- Methodologies are tried and tested in the field
- Sufficient, long term funds have been made available from a range of bilateral donors and INGOs to use an action learning approach to develop and refine their methods:
- They have a long history of working in education: Progresso started in 1990
- They have an international profile from participating in international education forums. This is technical policy development not political policy development.

Progresso offers MEC a laboratory, where ideas can be tested on a local scale, out of the spot light and at no cost to the ministry. Current funding comes from a range of donors including CIDA, one of the PAPs, and not the lead on education. It would be interesting to evaluate whether such funds for experimentation and methodological development could be funded through budget support and made available for CSOs in different areas.

What happens to gender in all of this? So far there is no funding mechanism available to promote gender initiatives, although of course there are gender sensitive areas in all the work. The Nampula based CSDF has a clear gender policy. But MASC neither refers to gender equality in its mission nor in the scope of work. It would be interesting to monitor the gender focus in all the new funding mechanisms. It is likely that the CEF, which focuses heavily on access to education for girls, can develop good practice for these funds to be used to promote real gender changes.

6 Ownership and the harmonisation:

As early as 2000 the GoM and donors were moving towards a harmonisation and effectiveness agenda. The first MoU was signed in 2004, illustrating the timeline required for these processes involving institutional change in multiple stakeholders.

In the study by Afrodad in 2007, one of the main conclusions was:

Although with many positive aspects, the apparent partnership between donors and government has been focused on procedures - how to do things - but little attention has been placed on actual directions, strategies and policies, and all requisites of the Paris Declaration.

This conclusion raises further questions about the real purpose of the effectiveness agenda: does the Paris Declaration aim to do more than change the mechanisms and procedures that govern the relationships between donors and recipients? Do these bilateral mechanisms serve to increase the "ownership" by national governments and their citizens by allowing more control over the policy agendas? In attempting to answer this it is necessary to look at the effect of the Paris declaration on the policies and policy processes.

Examining "increased" ownership must look beyond the GoM to the role of parliament, civil society and citizens in the development agenda.

This section will explore the degree to which strategies, policy frameworks and processes are *owned*, by the government and the citizens.

Ownership of policy frameworks

The focus of PAPs support is the government's poverty reduction programme (PARPA). This framework is currently in its second phase. PARPA II (2006-2009) has as its goal the reduction of poverty from 54% to 45% by 2009. It provides the basis for discussion between PAPs donors and the government focusing on three pillars: economic development, human capital /poverty reduction (MDGs) and governance. HIV&AIDS and Gender are treated as cross cutting issues.

In its introduction, the successful implementation of PARPA was understood to depend on the *collective* forces of the international community, private sector, trade unions, NGOs religious and youth groups and the people of Mozambique. However their roles are not fully defined. The question of whose agenda is represented in the PARPA is much contested.

PARPA II is understood, *by some*, as the operationalisation of the GoM, 5-year plan, but there is a counter view that the PARPA process has its roots in the donor driven PRSP processes and some continue to see it as a donor "imposition". The evidence of low ownership by the GoM is that the PARPA framework uses a parallel structure to the government's five-year strategic plan (PES). The GoM

plan is considered by many to be too vague to form the basis of strategies and a lot of work would be necessary to turn it into a country development policy. By default discussions between donors and GoM focus on the PARPA. However this has its limits.

A critical obstacle to the PARPA II, being used as a government instrument is that the systems for planning, budgeting and (emergent) monitoring do not link directly to the PARPA objectives and results. The government ministries use the PES to allocate the state budget, at the same time using the PARPA targets to discuss with donors. This is understood to be unsatisfactory creating as it does two separate models of accountability and planning for poverty reduction in PARPA that is not linked to the budgeting for the PES. At present the PARPA and its own review processes are understood in part as parallel, in part overlapping but not as yet aligned with the GoM PES and 5-year plan. The need for integration is seen as work in progress and in the meantime there is some evidence that the "double" burdens on government administration resulting from reviewing government PES as well the PARPA joint reviews are a point of continuous discussion between the donor and GoM. The GoM has also recently declared that the burden on its functionaries needs to be significantly reduced.

Perhaps where increased alignment can be seen is more between the donors and their approach to working with the government, as the PAPs work to a consensus on the key areas for investment.

Given the linked but not integrated nature of these policy frameworks it is important to consider more closely whether the PARPA is owned by the GoM or the donors:

6.1 Does the GoM own the PARPA?

In the PD language, does the Country exercise effective leadership over the policies, strategies and coordinate development actions?

The simple answer is that GoM ownership is challenging in the context of a highly donor dependent country: more than 50% of state budget is financed by external aid. A more nuanced view is that to some extent the PARPA has overtime become more owned by the country, not only the government²⁰ as the processes are gradually becoming more consultative and inclusive. Likewise the analysis by Hanlon of the PARPAs could indicate more government influence over the actual content.

Civil society and PARPA II: The G20 report on poverty used the argument from the women's forum that:

"Poverty that is defined as *incapacity devolves the responsibility of being poor to the person and his/her family, ignoring the question of fair and sustainable distribution of the benefits as well as the equality of rights and opportunities in resource access and control.* (RAP 2004)

Hanlon's analysis is that PARPA I represented a classic "Washington consensus" PRSP, reduced role for state, with private sector as a major engine of development. Some significant differences in PARPA II included the GoM having more say over how poverty can be reduced in Mozambique.

The example provided by the analysis is the proposal for the state to re-engage in interventions for rural economic development.

Analysing various drafts of PARPA II

²⁰ There is certainly more publicity material available on the PARPA than the PES.

Hanlon²¹ argues that the Government's arguments related to an over dependence on the private sector, not least in its ability to deliver benefits to address regional inequalities and poverty in rural areas. The final version though not overtly critical of the Washington consensus is in its nature a departure from a classical Washington consensus text.

A success claimed by civil society is the change of definition of poverty using a critique produced by the women's forum on the need to change the definition of poverty to reflect limited access to opportunities and control over resources: The impact of this argument is hard to see at this stage, and questionable until there are policies and targets which reflect this broader definition.

Generally the social areas on which this research is focused and which are of major interest to the PAPs donors - education, HIV&AIDS and gender - did not change radically in the PARPA II, with the exception of the inclusion of more vocational /skills oriented technical schools. Health was allocated extra funding for basic services and AIDS. The issue of the need to train more health and education professionals to replace those dying of AIDS is not addressed.

This investment in basic service areas, linked as they are to the MDGs, appear to be "non-negotiable" by donors, leaving the GoM limited room for manoeuvre.

The influence of the GoM is visible at a different level. For example, in the refinement of targets in the performance framework, reducing some goals that were seen as too ambitious. The influence of the MDGs is strong and as such even though the government wanted to exclude an indicator on pupil-teacher ratios in primary schools, it is still part of the framework.

Ownership beyond the government is dependent on the involvement of civil society, parliament and citizens in agenda setting. There are discernible differences between the PES and the PARPAs and between the PARPAs.

PARPA processes are showing more civil society involvement over time. The first PARPA did not allow for consultation with civil society, nor was it approved by the Assembleia de Republica (AR / Parliament). In the second round, there was some consultation with civil society through the G20 and the observatory in Maputo. It was presented to Parliament, albeit without space for discussion. A commonly held view was that these efforts to include the people were at the behest of the donors. It appears to be fair to say that the process for developing the PARPA tends to follow the donors' principles.

In contrast, the more skeletal Government Five-Year Plan, Social Economic Plan, State Budget, Balance of the Execution of the State Budget and General State Account are presented, debated and approved by Parliament. There is less clear involvement of civil society in its development.

Overall it is difficult to say whether the donors are currently aligning with government policies or vice versa. It is only through increased participation in the discussions that civil society would be able to comment on changes in this area. Meanwhile the only possible conclusion is that the government is taking some control over setting the poverty reduction agenda, and the influence of the donors continues to be strong.

²¹ <http://www.open.ac.uk/technology/mozambique> June 2006

Participation of civil society and parliamentarians remains at entry level: consultation. Even in the event that the policy framework is to some extent more broadly understood by the civil society and parliamentarians, increasing ownership of implementation as per the rhetoric is problematic. The linked but parallel nature of the national indicators and weak frameworks for monitoring makes it almost impossible to assess progress. The GOM plans are:

"...not disaggregated to local level (provincial/ district/ municipal). The indicators and goals do not have geographical disaggregation, nor do they attempt to capture the difference and interdependencies between the rural and urban environment, which makes the activity of monitoring and evaluation at local level extremely complicated". (CAFOD /Trocaire 2008: 24).

Given this it becomes almost **impossible for CSO to engage meaningfully in the monitoring of PARPA**, perhaps with the exception of some provinces (e.g. Inhambane and Niassa) where efforts have been made to localise the goals and indicators.

A deeper concern is that the G20 Annual Poverty Report (RAP) produced in 2005 cannot be used as a rigorous tool for monitoring poverty, as the data is not available. The report admitted this and to date this is the only such report published. The RAP process does allow for community voices to be expressed, mostly to explain why targets have not been reached. Although during the process more than 10 000 people and 100 CSOs and analysed more than 8000 questionnaires, from 103 of the countries 146 districts (RAP 2005:7) were consulted, this results are not presented as indicative of progress as there is no meaningful data on which to make comparisons of 'before and after' .Although the RAP initiative was seen as progressive for Mozambique, there is no publicly available report for 2006.

As the preparations begin for the successor to PARPA II in 2009, it will be interesting to see whether there is increased integration of the two processes or whether the GoM will insist on using the PES. The latter could indicate to some degree, a change of ownership, and perhaps a proxy indicator of increased donor confidence in the GoMs ability to prioritise and allocate for poverty reduction.

The CAFOD/Trocaire report questions the premise that increased ownership will in turn lead to increased effectiveness of aid. The lack of an integrated monitoring framework to address government policies outside the PARPA framework as well as within, makes it very difficult to test the premise on which this is based.

The question for civil society, parliament and the citizens is how, if at all they can become involved in local and national debates about whether it is the right policy, with sufficient resources, being implemented in a timely and efficient way? **The donors appear to have more power to change this but in the name of increasing government ownership may be reluctant to use their power. Civil society must advocate for a more meaningful framework for assessing change before embarking on policy monitoring.**

As the PARPA is the main strategy document for poverty reduction, the lack of national ownership is also reflected in the areas of Education and HIV&AIDS. In both these policy areas, there is limited opportunity for civil society to engage in the setting of priorities as these are also determined to a great extent on the MDGs and global targets. To some extent, the GoM's interest in meeting these targets can go against achieving quality in their performance. This is especially true in primary education. MEPT does engage with the MEC on issues relative to improved quality as well as quantity but this is more ad-hoc than systematic.

Given the number of diverse actors, government departments, and donor agencies involved in policy to combat HIV&AIDS there appears to be limited scope for civil society to become involved.

7 The opportunities (and threats) to civil society participation in GoM policy:

As stated above, there are very few organisations that engage in the dialogue around budget preparation or monitoring. There are some emergent opportunities for civil society to be involved and these “emergent spaces” will be considered next. CSOs are slightly more visible in the relatively recent “created spaces” for assessing policy implementation. Given what has been said about the lack of an overall framework it is not surprising that many of those involved see this as more of a legitimising process than one of genuine dialogue.

The *capacity* of civil society to engage in the policy arena is not solely dependent on organisational competence and confidence but also the “enabling environment” which includes:

- Type of space that is made available to civil society,
- Degree of formality: the scope of the engagement and rules of the game
- Attitude of the government to the participation of civil society and finally
- Perception of risk

This section will aim to analyse the factors that contribute to or constrain civil society engagement with government. Where there are examples of successful policy influencing by civil society these will be included here as illustrations. At the same time this section will aim to unpack “the capacity” of civil society to engage in identified policy spaces.

7.1 The space

There are formal and informal ways in which the voice of civil society can be heard. In general the formal are divided into two types of engagement: *political and technical*. It is more difficult to assess the nature of informal, because of its very nature so this section focuses on formal arenas for CSOs to talk to government. Here there is a further distinction between sector-focused dialogues, to discuss policy or co-ordination issues and the more *political* dialogues related to discussions about government performance. Paradoxically, despite the fact that these are formal spaces, they don’t always have clear rules and therefore participation is not based on any rights or obligations.

Both the political and technical spaces share some characteristics:

- Civil society actors *are invited* to participate in these spaces
- The Government seeking to coordinate and in some cases to collaborate:
- Government does not expect confrontation nor do they seek adversaries.
- The information and data is often not shared with sufficient anticipation
- No structures exists for decision-making nor a mechanism for follow up

The key difference between the political and technical spaces is the degree of openness. Ironically the observatories, which to some degree are framed as an *open* space for dialogue, are as a result more stage managed: many people refer to them as a theatre. The behind closed doors nature of the technical discussions, appears to allow for more open discussion and dialogue.

Overall as far as the observatories are concerned most analysis says that the space is not being fully utilised and much of this is put down to the new-ness of the process and lack of civil society capacity. In the absence of a clear framework another key factor that also constrains civil society participation is the attitude of individuals in government to individuals from CSOs. The lack of a clear framework of rights and obligations is felt by CSO participants to be dis-empowering and excluding.

7.2 Attitudes to CSO participation: the theory and the reality.

In both education and HIV&AIDS, there is *on paper* a willingness to include civil society in general discussions around the policy. There are several examples of structures and processes that endorse the view that the government is opening the space for civil society to engage in policy dialogue. The most talked about and studied interface between the government and civil society are the poverty/development "observatories" which were created as part of the PARPA process in 2003. Currently the coalition of NGOs, G20 has primary responsibility for organising civil society participation in these *events*. Initially the observatories were understood to be a process of engagement however over time there is a sense that it has become an isolated event. To date, these meetings have not been successfully integrated into the national planning cycles, and although the intention is for this to change it essentially remains de-linked.

The alternative and less public spaces can be found in the **technical sector / pillar** working groups in preparation for the twice yearly **joint review process**; here there are tripartite working groups that discuss progress in specific areas prior to the joint review. A summary of these meetings is available on the PAP website. The joint review process includes a presumption of reaching consensus, which means that the reports do not record areas of debate or dissension. There is an expectation that in the future, registering a disagreement with the findings will be permitted.

In the area of Education there are further opportunities at national and provincial level to discuss education issues. MEPT has close links with the MEC and there are technical education forum meetings at provincial level. The main difference between the political and technical is the degree of openness.

There is a national joint MEC, Donor and CSO joint monitoring meeting²², referred to as COPA and a local level meeting COPA-inha to which CSOs are invited. There is a document, which outlines the purpose, and scope of the meetings there is also an annual review meeting of MEC's strategic plan. In some provinces there are coordination meetings with NGOs both local and national discuss with the education department plans. A CSO person who attends the COPA meeting said the COPA meetings are seen as helpful for:

- Consultation
- Dialogue
- Interaction between donors, government and civil society

BUT

- Limited advantage is taken of the different perspective that civil society has, and
- The selection of representation from civil society is not always done strategically.

²² COPA: Comite Paritario de Acompanhamento (COPA)

In contrast, in relation to HIV&AIDS the space and openness for dialogue is very unclear. It is assumed that there are similar civil society /ministry technical working groups on the issues related to health and service delivery²³. NAC does run a forum for partners in HIV&AIDS. However the general view is that this forum, which is conceived of as a government /civil society interface does not function well at national or provincial level.

There is less evidence that the NAC feels that it needs to be accountable to civil society or include civil society in their policy development. Their structure is political, being nationally accountable to the prime minister and to the governors at provincial level. In some provinces, government and civil society meet to carry out joint project assessments. However the performance and formality of these is understood to be very variable. A joint government and civil society technical working group does the appraisal work, which appraises the projects and summarises for the decision makers. In most provinces a representative from MONASO is involved but the experience is that discussions are quite restrained.

Does it make a difference?

Despite the increased number of spaces and opportunities for interface between government and civil society it is difficult to know whether any of this enables more influence by civil society on decisions or policy directions. The quality and capacity of organisations to influence decisions in these different fora appears to depend on several factors.

No rules of the game: Currently the observatories have no legal identity, no terms of reference, no definition of the roles and responsibilities of respective parties or any decision-making authority. The framework for the discussion is in contrast the COPA that has set objectives and clear tasks. The latter seems to enable a more expert and focused discussion. Alternatively, the willingness of the MEC may also be predicated on the fact that they are able to shape and control the agenda. The lack of a framework for the observatories means that the government has to be more proactive to ensure that they control the agenda.

In the absence of these "rules of the game" the observatory meeting involves a presentation by government and a presentation by the G20 member organisations from civil society, or a sector specialist from civil society. Examples of collective or individual CSOs contributions are presented. There seems to be no real convergence: *the government wants to talk about numbers and targets at national level whereas civil society, without any overview of data, is unable to contest this as they have individual experience rather than general.* There is no real room for debate as the starting points of conversation are so diverse.

Preparation by all parties appears to be poor. Despite the fact that the meetings are now fairly well established in the calendar year, civil society tends to complain that it receives notification late and often does not get adequate information. There is evidence that some observatories are becoming more proactive in this arena and ask for information in advance, however there is plenty of room for more proactive behaviour by both parties. However encouragement to be more organised is not always met with support from the GOM. In one case where G20 members pointed out factual errors in the government report prior to the meeting, they were asked by a government representative to remove their correction. For many commentators the observatories function more as legitimising event rather than an open space, or part of a broader process of dialogue.

²³ The study team did not investigate the structures for Min of Health but focused more on CNCS approach.

Despite its weaknesses almost all actors, from the Ministry of Planning through to representative organisations from civil society feel that the observatories should continue. Currently there are new regulations awaiting approval by the Ministry of Planning on a legal identity and the right to adapt the way the observatories are organised.

On the whole these new spaces are linked to the shifts in donor approaches and are seen as providing the opportunity for civil society to perform checks on the government. It is certainly early days and it appears that there are several critical areas for improvement before they can be understood as a forum of accountability. Although they offer the potential for civil society to hold provincial and national government to account the journey has only just begun. The demanding increased participation and power over decisions in this meeting will in turn raise the stakes on the levels of capacity required and questions of CSO representativity are likely to emerge.

The introduction of Provincial Assemblies might also change the rationale and content of the observatories, an issue to be monitored by the different stakeholders including the INGOs.

A major question is whether these fora can ever achieve the desired transparency and accountability in what are essentially open, public relations events. If the standards are increased and more power or decision -making is given to this meeting it will increase the stakes and there will be more pressure on civil society to perform.

In the meantime, CSOs do not appear to systematically reflect on their own internal accountability. This is already a challenge and will be more so if the observatories do become more meaningful and integrated into the planning and review cycles. In the study by Francisco and Matter the question of representativity was raised:

There appear to be more opportunities in less political and more technical fora that are conducted behind closed doors in the confines of departmental offices.

Openness amongst some civil servants to technical discussion, on how best to deliver on certain policies appears to be more fruitful and this has been the experience of CSOs working in education. MEPT is a "membership based" network, which spearheads the Campaign on Education for All. Its emergence is largely due to support from INGOs working in education that saw the need for a platform to raise awareness about education issues. There is a good relationship between MEPT and the central ministry based on technical expertise. The focus is on education rather than governance issues, thus they have campaigned on sexual abuse in schools but remain quiet on the questions of "extra payments demanded for school registration". They are careful in their approaches but at the same time struggle to include their members in actions.

In relation to the HIV&AIDS sector, given the lack of formal or informal fora the main opportunity appears to be to influence as a member of the Board of CNCS or through alternative channels such as the Parliamentary Working Group (PWG).on HIV&AIDS.

An interesting example shows how strategic opportunism more than engagement with formal platforms can be more profitable for

MONASO organised a radio debate between CSOs (PLWA) and FBO with the provincial director of CNCS. The resulting live debate was not fruitful. However later when a PWG on AIDS visited the province the organisations took advantage of the visit and made their case.

Changes to the fund management will be introduced in 2008. Donors were also active in negotiating

CSOs. This is evidenced by the strategies adopted by Nampula-based CSOs complaining about the slow disbursement of funds by CNCS.

Who gets involved? Of key importance for civil society is to engage strategically with the fora that do exist. The question of individual organisational capacity to contribute to the issue has to be counterbalanced with a degree of representativity of the wider group. Given the ad-hoc nature of the mechanisms and a degree of fragmentation between CSOs, it is not surprising that a more inclusive, a representation by a body of CSOs does not exist.

While the PO may be open to all citizens, membership of the G20 is not necessarily automatic and open to all citizens.

Membership of G20 is not broad based:

“Indeed, the active participants in the POs are generally composed of members of a relatively small and mostly urban middle-class elite”

In this case it is not surprising that the poor, and especially poor women, do not really participate in the observatories, although most CSOs claim to represent them.

The G20 members tend to be from more formal, urban-based organisations at both central and provincial level. The thematic networks tend to be based in the capital and interface with central ministries on policy dialogue. Their network members are engaged in some coordination discussions at provincial level.

In real terms the CSOs, which do interface with government, come from quite a narrow group and there is a risk that G20 becomes a gatekeeper rather than a gate opener. The links between the central actors and the provinces is varied. The network secretariats face difficulty in mobilising their membership to take collective or even local action and in this case the tendency to centralise becomes even more acute. To counterbalance this there are some new platforms and networks emerging at provincial level (donor and INGO sponsored) that are becoming more effective vehicles for civil society voice.

Despite the fact that there are more organisations willing to be involved in the policy processes which in turn present an opportunity for strategic support, the overwhelming comment from civil society actors was that despite the space being available the quality and nature of dialogue is constrained.

8 Perspectives for CSOs to take on a broader role:

In some countries²⁴, there has been a strong push and funding for civil society to take on the role of monitoring both the roll out of policies and quantity and quality of government service delivery. This is not yet happening in Mozambique, although there are some indications that GMD is considering how they could promote and use a similar methodology. The real question remains: given the generally acknowledged weaknesses in government's capacity to link plans to budgets²⁵ and a weak system of monitoring that appears to focus more on disbursement than outcomes, is this an effective use of civil society time and energy?

²⁴ For example in Uganda the donors have been supporting Ugandan Debt Network to develop and spread the use of a community based monitoring system at sub-district and district level.

²⁵ Simon MCCoy DNEAP MPD Draft Analysis of provincial budget allocations 2003-2006

Likewise for the conversation to be *real* it will be political. A recent study of budget allocation reveals patterns “strongly indicative of unequal territorial distribution of resources, with the most populous provinces of Nampula and Zambezia consistently losing out” (mimeo: p1) and concludes that in education “there is no meaningful correlation between severe education deprivation and state budgetary allocation.

To a large extent, many CSOs do not feel there is sufficient capacity or willingness of local and central government (mirrored in civil society as well) to increase participation. In the current climate and context, it appears there is a long way to go before civil society is able to make a meaningful contribution to monitoring policy implementation.

Given the daunting nature of the task it is important that any support to civil society in these areas considers the power dynamics in and across sectors as well developing organisations technical ability to use budget-monitoring methods.

Those who wish to engage would have to reflect on how data and debates could be meaningful and helpful: This could mean not trying to cover the whole but focusing on some key issues and/or meaningful provincial allocations and disbursement. The debate from civil society also needs to consider how to bring in the broader issues of adequacy and equitability and gender equality from a broader perspective than compliance with targets and spend imperatives.

To reach the stage where the civil society platforms and thematic networks can contribute with a more organised and representative response, CSOs will have to consider their merits and limitations by reflecting on their outreach and action in each of the thematic fields.

9 Conclusions: the chicken or the egg:

The Afrodad report illustrates very clearly how the process towards increased alignment and harmonisation is a balancing act:

There are strong capacity constraints at sector level that affect the quality of policy development and analysis, planning, costing, budgeting, implementation and M&E.

..the... lack of harmonization and alignment worsens the constraints on capacity; and more consistent progress on harmonization and alignment help the development of capacities and reduce the strain on existing scarce capacities.

Hence, although capacity constraints shape the real possibilities for the harmonization and alignment process to develop further and faster, such constraints can only be properly and systematically addressed within the process of improving harmonization and alignment.²⁶

If the conclusion of the Afrodad study is that more harmonisation is necessary precisely because of the government weaknesses: where does this leave civil society and its dialogue with government?

It is a well-known fact in Mozambique that the government capacity to deliver is improving but has a long way to go. This is not something that CSOs need to

²⁶ Afrodad (2007) A critical assessment of aid management and donor harmonisation : the case of Mozambique

shout from the rooftops. At the same time as fulfilling the roles of gap fillers and collaborators in implementation, it appears that what some organisations want is an increased recognition of their contribution. This is relatively simple to achieve: civil society can make their own publicity on the basis of good monitoring and impact assessment of their work. The challenge is showing how this contributes to the national targets. Civil society could advocate at provincial level for realistic targets and indicators for the province. Not only would this enable them to have a conversation about the real provincial issues but would also allow them the chance to profile their inputs.

It can be seen from this and other studies that the shifts occurring as a result of increased donor harmonisation are beginning to be felt by civil society in Mozambique. Although to date the changes are not experienced as a “tsunami” by local CSOs there is enough evidence of change to mean that civil society should at a minimum begin to “recognise patterns and think about their reaction. In order to do this civil society needs to become more proactive about understanding the implications of the shifts and likely trajectories both positive and negative. All of this preparation work could in the longer term enable civil society to position itself in a way in which it is able to shape some of the discussions around the Paris Declaration issues.

As a result of the Paris Declaration there are more spaces where civil society and the government can exchange information and ideas informally as well as formally. The degree of influence civil society has is not well documented but there appears to be a difference between the more politically charged open spaces and the technical, thematic work that is mainly done behind closed doors.

Currently in Mozambique the numbers of CSOs able to engage in dialogue with government is small and even within this minority the relationships and links are not strong enough. Over and above this their autonomy is limited and their link, input from and feedback to their constituency or the grassroots need to be improved. For organisations to be legitimate representatives in dialogue it is critical that they get their own house in order before demanding more voice and decision making power. Without this their views are questionable and to some extent easily compromised.

As a corollary to the increased budget support, there are increasing incentives for CSOs to take on the role of monitoring policy implementation and government performance: “demand driven accountability”. Many CSOs do not (as yet) consider it their role. For some it is outside their missions, for others it is seen as a conflict of interest, especially where they receive support from government or need government permission to do their work.

It has not been possible to fully assess the degree to which this non-engagement is linked to an assessment of the risks involved. There is a growing perception that the increasing politicisation by the ruling party, of access to government benefits and resources, does not encourage individuals or organisations to put themselves in the position of exposing the government in anything but a positive light²⁷.

This brief study has shown that there is a need for better understanding and better engagement. However this needs to be done in a way that empowers civil society to be more autonomous in relation to the emerging agendas. The current rush to prepare for the High Level Review in Ghana should not distract

²⁷ A deeper study would be necessary to understand fully the reasons behind “low participation and the politicisation of the public space and resources.”

organisations from reflecting on what they really want to achieve in their policy engagement nationally as well as internationally. CSOs do need to think and behave strategically in looking at the added value they bring to any discussion. They need to be clear about what they want to achieve. For those organisations supporting CSOs in Mozambique, support in strategic thinking and for action is invaluable.

This study has sought to consider the impact of the Paris Declaration on Mozambican civil society.

The following recommendations are in the first instance aimed at Mozambican civil society and their supporters in country. The second set of recommendations are aimed at the Alliance2015 members in country and internationally.

10 Recommendations

10.1 Recommendations targeting the High Level Forum:

Mozambique country advocacy messages.

Improve the quality and quantity of participation of civil society actors in the Donor /Government processes related to assessing aid effectiveness.

This change could result from improvements in the following areas:

1. The Government of Mozambique and donors should focus on **improving the processes and guidelines for civil society and parliamentary involvement** in setting the agenda for Mozambican policies. And
2. Donors should strategise on how to increase national ownership of poverty reduction policies, by emphasising national stakeholder processes more than policy content conditionality.
3. **Broaden the range of stakeholders involved in assessing aid effectiveness**
4. **Respect and support civil society's diverse roles and contributions:**
5. Address a wide agenda through funding mechanisms: For example, incentivise provincial and national work on gender inequality, women's rights and policy innovation not only service delivery or advocacy.

10.2 Alliance2015 members: International advocacy messages:

- There can be no effective aid without a framework for assessing effectiveness which looks beyond the Paris Declaration mechanisms²⁸.
- The process for policy reviews and development need to be more democratic and open to the inclusion of civil society.

²⁸ Irish Aid will lead the donor Troika from 2008-2011 and also lead on poverty reduction impact.

- Donors need to be conscious of their own power to shape agendas: they need understand roles of civil society are pluralistic not dualistic.

The A2015 need to consider how adequate the current Paris Declaration indicators are for assessing Aid effectiveness and how to ensure there is adequate accountability on the principles underlying the Paris Declaration.

Using the findings from all country studies, approach the donor head quarters on the following issues:

- Adequacy of the indicators being used to assess quality and quantity of progress in government implementation.
- The need for increased transparency around the criteria and targets in used as the entry points for the Paris Declaration. E.g. If these targets on issues such as governance and democracy, are publically available they could be monitored by a watch-dog organisations like CIP.
 - The potential for the increased inclusion of civil society, for example, in the joint missions related to policy assessment or impact²⁹.

10.3 Country level joint initiatives to build on the work by A2015 members and Trocaire /CAFOD:

- Share this study with the other National (GMD /G20 FdeM) and International NGOS (Trocaire /CAFOD) preparing for Ghana. Identify shared agendas and added value.
- Identify the potential for continued monitoring of the impacts of the Paris Declaration on civil society as joint action research.
- Following consultation with civil society, if necessary, open dialogue with respective donors on improving the involvement of CSOs in the donor /government mutual accountability processes.
- **Gender:** Lobby donors to improve their ability to assess the budget delivery with a gender perspective and report to the Forum de Mulher.
- Organise an event with donors and civil society to share the perspectives on progress with PARPA II and to keep the pressure on government to allow the increased opportunities for the CSO to be involved in Joint Reviews and also the development of the new PARPA III/ Quinquinall.

10.4 Recommendations for Mozambican CSOs preparing for High Level Forum in Ghana

The CSOs most actively involved: GMD, G20 and Forum de Mulher, should be encouraged to analyse and share the messages they are taking to Ghana with the wider civil society, to increase awareness, ownership and transparency.

Following an initial preparatory meeting, it will be important for them to reconvene and share their messages (not necessarily consensus) and identify

²⁹ Practically requesting sponsorship for participation in shared missions of suitable staff member from local/national CSOs This would be suitable in key areas of HIV&AIDS or Education.

strategies. Facilitate a meeting to identify how these actors can complement and reinforce their efforts at the HLF.

10.5 Practical strategic engagement to strengthen the capacity of civil society in the policy dialogue and accountability

10.5.1 INGOS and CSOs working in Mozambique:

Creating new spaces and opportunities:

- CSOs working in key sectors should consider inviting the donors to a workshop / dialogue to consider what actions can be taken to improve the involvement of CSOs in the donor /government mutual accountability processes.
- CSOs and civil society need to become more strategic in the use of the spaces available for influencing policies. This involves :
 - Ensuring the debates focus on the real issues related to poverty reduction in Mozambique rather than the discussions about mechanisms and procedure.
 - CSOs must develop their capacity to work with the government and donors on improving the structures, representation, quality of debate and follow-up in invited spaces:

Improving the quality of the observatories

- INGOs working with G20 and GDM and other CSOs **facilitate reflections** and strategise (centrally and/or provincially) on **how to broaden and deepen the level of civil society participation:**
 - Deepening participation: G20 members to support to lobby for a clear rights and obligations framework (using the forthcoming MoPD regulations) to road test new ways of working and monitor changes in the study the outputs and outcomes.
 - Broadening: G20 et al. work towards sharing more widely the observatory discussions through debates and alternative forum. This could develop into the autonomous space for civil society discussions, which are then taken forward to the observatories.
 - Develop processes for structuring input and feedback from the observatories to wider civil society.

10.6 Improve the nature of the CSO /Government dialogue in the key sectors:

As a result of the focus on specific sectors, there are additional recommendations which could improve how the umbrella or representative bodies manage dialogue with the respective Government departments The specific focus of this study

Education:

- MEPT needs to become more effective at identifying the capacity in their members to participate in these dialogues from a rights and gender based perspective. Explore access to funds from the CEF to develop negotiation and dialogue skills, based on participatory data collection and analysis, applied gender and rights approaches.

HIV&AIDS

- The HIV&AIDS CSOs must re-establish their role in the joint review (absent from 2007), representing both the prevention and treatment dimensions. Gender and rights perspective using a strong analytical framework on which case studies can be produced as examples of changing needs and impacts.
- MONASO should critically assess its capacity and willingness to do advocacy. They could also create a members monitoring committee, to assess change under the new CNCS grant management scheme and feedback to the agency. This can be used in dialogue with the key donors and government departments working on HIV&AIDS.
- Leading agents like MONASO, CEF, MEPT need to identify key issues for district level studies on how policy implementation is changing life in the village etc. Use this as an action learning process for the CSO and develop a methodology for annual studies of change.
- Strategic relationships between these umbrella organisations should also be created or reinforced. There is room for increased learning on “practice of policy influencing” plus more effective sharing of issues. E.g. CIP and anti-corruption in Education campaign and MEPT.

Bibliography

African Economic Outlook © AfDB/OECD 2007

<http://www.oecd.org/dataoecd/27/15/38562933.pdf>

AFRODAD (2007): A Critical Assessment of Aid Management and Donor Harmonisation: The Case of Mozambique

Aid effectiveness: Trends and impacts of shifting financial flows to CSOs, *Southern Africa Trust (SAT)* March 2007

DFID: Mozambique Country governance analysis (October 2007) mimeo

Eurodad/ Trócaire & CAFOD (Jan 2008): Mozambique: An independent analysis of ownership and accountability in the development aid system

Eurodad Aid Effectiveness update: Feb 2008

Hanlon J (2007) Is Poverty Decreasing in Mozambique? Joseph Hanlon, Open University, England Paper presented at the Inaugural Conference of the Instituto de Estudos Sociais e Económicos (IESE) in Maputo on 19 September 2007.

<http://www.open.ac.uk/technology/mozambique>

McCoy S (2008): *Draft* Analysis of provincial budget allocations 2003-2006 MPD Maputo

Modéer U, (2007): Accountable to whom? A study of the implementation of The Paris Declaration in Mozambique, unpublished Göteborg University

Mozambique Donor Atlas 2006 Forecasts 2007 – 2010 ODAmoz 15.08.2007 Bohr

National Human Development Report (2007): Mozambique HIV AIDS: challenges and opportunities the response to HIV/AIDS

World Bank, *Beating the Odds: Sustaining Inclusion in a Growing Economy – A Mozambique Poverty, Gender and Social Assessment*, Washington: World Bank, Report 40048-MZ, 29 June 2007.

Southern Africa Trust (2007)

www.odamoz.org.mz

www.pap.org.mz

Acronyms and Abbreviations

ADB	African Development Bank
AIDS	Acquired Immune Deficiency
AR	Parliament of the Republic of Mozambique
BdPES	Balance Sheet (Annual Report) of the Social and Economic Plan (PES)
CBOs	Community Based Organisations
CEF	Commonwealth Education Foundation
CIP	Centre for Public Integrity
CNCS	Conselho Nacional Combate SIDA: aka National AIDS Council
CSDF	Civil society Development Facility
CSI	Civil Society Index (Civicus)
CSOs	Civil Society Organisations
DAC	Development Assistance Committee (of the OECD)
DBS	Direct Budget Support
DFID	Department for International Development, (United Kingdom)
EC	European Commission
EU	European Union
EURODAD	European Network on Debt and Development
FASE	Education Sector Support Fund
FDC	Community Development Foundation
FTI	Fast Track Initiative
GBS	General Budget Support
GMD	Mozambican Debt Group
GoM	Government of Mozambique
GONGO	Government owned NGO
G19	Group of 19 (the 19 donors providing GBS – PAPs)
G20	Group of CSOs / umbrella organization)
HIV	Human Immunodeficiency Virus
IDA	International Development Association
IFI	International Finance Institutions
IMF	International Monetary Fund
INE	National Institute of Statistics
JR	Joint Review
MASC	Civil Society Support Mechanism
MATRAM	Mozambique Access to Treatment Movement
MDG	Millennium Development Goals
MEC	Ministry of Education and Culture
MEPT	Education for All Movement
MF	Ministry of Finance
MINEC	Ministry of Foreign Affairs and Cooperation
MPD	Ministry of Planning and Development
MoU	Memorandum of Understanding
MONASO	Mozambican Network of AIDS Service Organizations
MYR	Mid-Year Review
NAC	National AIDS Council
NGO	Non-governmental Organisation
ODA	Official Development Assistance
ODAMOZ	Official Development Assistance Database for Mozambique
OECD	Organization for Economic Cooperation and Development
OJM	Mozambican Youth Organisation
OMM	Mozambican Women's Organisation
PAF	Performance Assessment Framework
PAMS	Poverty Analysis and Monitoring Systems Working Group
PAP	Programme Aid Partner
PAP's PAF	Programme Aid Partners' Performance Assessment Framework
PARPA	Action Plan for the Reduction of Absolute Poverty
PEPFAR	President's Emergency Plan for AIDS Relief
PES	GoM Social and Economic Plan

PO	Poverty Observatory renamed Development Observatory (observatories)
PQG	Government's Five Year Plan
QAD	Performance Assessment Framework
QUANGO	Quasi-autonomous non-government organisation
RAP	Annual Poverty Report
SBS	Sector Budget Support
SDC	Swiss Agency for Development and Cooperation
SWAP	Sector-Wide Approach
TAC	Treatment AIDS Campaign
TI	Transparency International
UNDP	United Nations Development Programme
UNAC	National Peasants Union
USAID	US Agency for International Development
WB	World Bank