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# Aid and Budget Transparency in Mozambique

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## Constraints for Civil Society, the Parliament and the Government

*“Corruption and the lack of transparency (...) impede effective resource mobilisation and allocation and divert resources away from activities that are vital for poverty reduction and sustainable economic development”*

**The Paris Declaration**

– May 2010 –



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## ACRONYMS

- AAA: Accra Agenda for Action  
AWEPA: Association of European Parliamentarians with Africa  
BdPES: *Balanço do Plano Económico e Social (Review of the Economic and Social Plan)*  
CESC: *Centro de Aprendizagem e Capacitação de Sociedade Civil (Civil Society Training Centre)*  
CGE: *Conta Geral do Estado (General State Accounts)*  
CIP: *Centro de Integridade Pública (Centre for Public Integrity)*  
CSO: *Civil Society Organisation*  
CTA: *Confederação das Associações Económicas (Confederation of Economic Associations)*  
CUT: *Conta Única do Tesouro (Single Treasury Account)*  
DFID: *Department for International Development (UK)*  
DNCP: *Direcção Nacional de Contabilidade Pública (National Public Accounting Directorate)*  
DNO: *Direcção Nacional do Orçamento (National Budgeting Directorate)*  
DNT: *Direcção Nacional do Tesouro (National Treasury Directorate)*  
EITI: *Extractive Industry Transparency Initiative*  
FAO: *Food and Agriculture Organisation*  
FDC: *Fundação de Desenvolvimento Comunitário (Community Development Foundation)*  
FEWSNET: *Famine Early Warning Systems Network*  
GDP: *Gross Domestic Product*  
GFATM: *Global Fund for Aids, Tuberculosis and Malaria*  
IATI: *International Aid Transparency Initiative*  
IBP: *International Budget Project*  
IMF: *International Monetary Fund*  
INGC: *Instituto Nacional de Gestão de Calamidades (National Disaster Management Institute)*  
INSS: *Instituto Nacional de Segurança Social (National Social Security Institute)*  
MCA: *Millennium Challenge Account*  
MF: *Ministry of Finance*  
MISAU: *Ministério de Saúde (Ministry of Health)*  
MPD: *Ministry of Planning and Development*  
MTEF: *Medium Term Expenditure Framework*  
NGO: *Non Governmental Organisation*  
ODAMOZ: *Official Development Assistance to Mozambique database)*  
OE: *Orçamento do Estado (General State Budget)*  
OECD: *Organisation for Economic Cooperation and Development*  
OILL: *Orçamento de investimento de iniciativa local (Investment in Local Initiatives Budget)*  
PAF: *Performance Assessment Framework*  
PAP: *Parceiro de Apoio Programático (Programme Support Partner)*  
PEFA: *Public Expenditure and Financial Accountability*  
PES: *Plano Económico e Social (Economic and Social Plan)*  
REO: *Relatório de Execução Orçamental (Budgetary execution report)*  
SETSAN: *Secretariado Técnico de Segurança Alimentar e Nutricional (Technical Secretariat for Food Security and Nutrition)*  
SISTAFE: *Sistema de Administração Financeira do Estado (State Financial Administration System)*  
SWAP: *Sector Wide Approach*  
TA: *Tribunal Administrativo (Administrative Court)*  
UNDP: *United Nations Development Programme*

## SUMMARY:

### AID AND BUDGET TRANSPARENCY IN MOZAMBIQUE<sup>1</sup>

Transparent budget processes are critical in democratic societies and citizens have the right to know where and how their resources are being invested. In Mozambique, where nearly half of the budget is financed by external aid, aid transparency becomes an important factor in supporting this democratic process. This short study looks at some of the constraints faced by governments (in preparing and implementing the budget), by the parliament (in their oversight role) and by civil society (in monitoring the budget process) related to lack of transparency of aid and the budget.

#### Aid transparency

External donors contributed some US\$1.6 billion in aid to the Government of Mozambique in 2009. These donors have all committed to making aid more effective by adhering to the Paris Declaration on Aid Effectiveness (2005) and to the Accra Agenda for Action (2008). However information about how much money is available, how it is being spent and what are the results of that aid are still poor.

Mozambique has made some progress in recording information about aid flows through the establishment of an online database called ODAMOZ ([www.odamoz.org.mz](http://www.odamoz.org.mz)) where donors record regularly how much money they have committed to spend or have spent on individual projects. This database however has been undermined by two things. Firstly, not all of the data is uniformly or correctly entered, making the picture inaccurate and secondly, the database is not yet linked to the government electronic state financial administration system (E-SISTAFE). This latter problem however should be addressed with the launch of the new version of ODAMOZ in May 2010.

Poor information affects in particular the health sector where aid is extremely fragmented in different projects. It is hard to budget without a clear idea of how much money will be available and aid commitments are not always delivered upon. The Global Fund, which is the largest donor to the health sector, in 2007 for example only disbursed 54% of its aid during the last month of the year, making it impossible to spend in that year. The United Nations practice of designing transversal programmes in various sectors, including health, makes it hard for the Ministry to know how much money is available.

When aid is reflected in the budget and in national financial management systems, it is easier to plan for and monitor. Yet nearly half of all aid money coming to the government does not use government budgetary execution, reporting or procurement procedures and two-thirds does not use government audit procedures. This makes it all but impossible for the government, parliament or civil society to monitor clearly how this money is being spent. The United States was the largest donor to Mozambique in 2009 but not one dollar of this money was channelled through Mozambican systems. The African Development Bank, the World Bank and Portugal also bypass national systems to a considerable extent.

Finally lack of predictability about aid in the future makes budgetary planning difficult. The only two donors to have rolling future commitments to Mozambique are the British and Dutch governments.

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1 This is a summary of a study commissioned by the Informal Governance Group (a group of international NGOs working on governance and aid effectiveness issues in Mozambique) and the Alliance 2015

## **Budget transparency**

The government has made efforts to improve the public financial management system through the introduction of the Single Treasury Account, but the planning and monitoring of the budget still lacks sufficient parliamentary and citizen engagement and oversight for a democratic country. As one interviewee said “the budget process is exclusively the governments and others hardly take advantage of the windows of opportunity for participation.” While some of the explanation for this can be attributed to lack of capacity on the part of for example parliamentarians and civil society organisations, there are still transparency gaps which need to be improved.

The budget planning process is hindered by the fact that the budget is delinked from the planning process (Economic and Social Plan) and is not based on the budgetary ceilings that are defined in the Medium Term Expenditure Framework.

The key document for budgetary reporting is the State General Account; however a key limitation is that there is nearly a two year delay in publishing this report. Legally this report should be presented to the parliament within 8 months, which does not happen. And while it is shared with the donors, it is not made available in sufficient time to the public. The Administrative Court has recommended that a number of inconsistencies and opaque areas (e.g transfers to public companies, sectoral own revenue) in the report are clarified but these issues have still not been addressed. The Administrative Court have recently committed to making this report available in a simplified version of the general public which would be an improvement.

At the local level, the problem of lack of access to information is particularly acute, where interviewees cited a number of problems they encountered including intimidation and lack of collaboration of local authorities, lack of publication of information about local taxes and public officials reluctant to share information.

The weight of aid in the budget contributes to the fact that there is more energy invested in the government - donor joint review process, where results are measured against donor agreed performance frameworks, than in facilitating parliamentary or citizen oversight.

### **Key recommendations:**

The study recommends that a number of actions be taken by the government, parliament, donors and civil society to improve the budget process through increased transparency. Donors need to provide more timely information about predictable aid and channel more of their aid through government systems. The government should publish revenue reports and make the Economic and Social Plans the basis of the State Budget which should in turn be clearly linked to the medium-term expenditure framework.

Civil society and the parliament both need to increase their monitoring and oversight role. Parliamentarians need to take a more proactive role in demanding accountability and transparency from the government and donors, and in demanding transparency and effectiveness in the districts that they are linked to. Civil society organisations could increase their capacity to engage in budget monitoring by focusing on a few strategic areas.

## I. INTRODUCTION

The objective of this study is to document and analyse the problems of transparency and accountability that civil society, the Parliament and the Government are facing when doing their work related to the budget in Mozambique. The study aims to increase debate about what must be done for citizens to be able to improve, influence and monitor the spending of public funds. Transparency does not only mean information about documents that are already public, but also public access to the processes.

A number of constraints make it difficult for civil society to monitor the budget, hinder Parliament in fulfilling the role attributed to it in the Constitution to efficiently oversee and control the budget and, finally, make it difficult for the Government at all levels (central, provincial, district and municipal) to plan and draw up budgets.

Both the Government and the Parliament have their mandates defined in the Constitution and the relevant legislation to draw up and oversee the budget. However, because of the heavy influence of development aid on the State budget (about 50% of the total revenues), and because of its importance when it comes to planning and budgeting in Mozambique, the role that donors play in eliminating these constraints and in promoting transparency and accountability becomes quite decisive.

Finally, civil society has been playing a predominant role in many countries when it comes to monitoring the budget, and this has stimulated the governments to achieve better results through improved quality in budgeting and spending.

In the case of Mozambique, some initiatives are being implemented, of which the following should be mentioned: The development observatories, the group that monitors the Extractive Industry Transparency Initiative (EITI), the monitoring of local governance in some districts and municipalities organised by a number of national Civil Society Organisations (CSOs)<sup>2</sup>, bulletins published by FDC (Community Development Foundation) in cooperation with UNICEF; the inter-parliamentary forums organised by the *Mozambican Debt Group* (GMD) and; capacity building of members of Parliament supported by the UN Development Programme (UNDP) and AWEPA and AMOPROC projects to monitor the OIIL. In 2010, the Centre for Public Integrity (CIP) is to publish two relevant studies in cooperation with the International Budget Project (IBP) – a mapping of civil society monitoring of the budget, and a Budget Index, which is an index on budget transparency. All these initiatives aim to improve transparency, so that the budget becomes more effective in reducing poverty and in promoting development.

Key budget and development aid data for Mozambique			
	2010	2009	2008
<b>State Budget</b>	119,986 million Mts/ US\$ 3,900 million	104.326 million Mts	89,001 million Mts
<b>Dependency on foreign aid in %</b>	44%	55%	56%
<b>% of foreign aid that is direct budget support</b>	Not yet available	- 39% of support from PAPs - 30% of the aid (PAPs and USA and UN)	- 38% from the PAPs - 25% of total amount of aid
<b>% of foreign aid financing projects</b>	Not yet available	- 33% of support from PAPS - 48% of the aid (PAPs and USA and UN)	- 38% from the PAPs - 25% of total amount of aid

Sources: OECD Creditor Reporting System, 2009 PAP evaluations and the Government's Portal.

2 Monitoring of Local Governance in various districts and municipalities is an initiative taken by the Mozambican organisations AMODE, CIP, GMD and LDH.

## II. AID TRANSPARENCY

### The importance of aid transparency

In countries dependent on foreign aid, the improvement of transparency<sup>3</sup> of aid flows is key for improving national accountability linked to the budgeting process. Having transparency means that civil society, the press and Parliament can oversee Government and partner actions more effectively, including policies, practices and spending.

The donors that have joined the International Aid Transparency Initiative (IATI) also recognise the importance of transparency, even though they have still to realise many of their commitments: *“transparency in development aid makes partnerships more effective and accelerates poverty reduction and development through improved accountability and more appropriate policies that reduce corruption and improve accountability”*.<sup>4</sup>

Sometimes the actions of donors can affect the Government’s necessary accountability to civil society through different mechanisms and forums, of which the most important is the Parliament. For example, Hodges and Tibana (2005) describe how the conditions laid down by IMF have reduced the relevance of the State Budget approved by Parliament. *“Even though the 2002 budget revision was approved by Parliament in 2002, it was not applied in practice because of the objections coming from IMF, in which they questioned the optimistic projections for the Gross National Product and for revenues, on which it was based. This caused a curious situation, in which the Government executed a “shadow-budget” based on new fiscal calculations agreed with IMF, and at the same time discretely abandoned the budget revision approved by Parliament”*.<sup>5</sup>

### Donor commitments to improve transparency in development aid

In 2008, in the Accra Agenda for Action (AAA), donors committed themselves to a number of promises to supply comprehensive and timely information on the flow of development aid and to channel the aid through national systems, which would improve transparency. The AAA was a follow-up to the 2005 Paris Declaration on aid effectiveness. The donor commitments relevant for this study are summed up in the following box:

#### Box 1: Relevant commitments from the donors at the Accra Agenda for Action:

Regularly make public all **conditions** linked to aid disbursements (AAA 25.B)

Publicly disclose **regular, detailed and timely information on volume, allocation and, when available, results of development expenditure** to enable more accurate budget, accounting and audit by developing countries (AAA 24.A)

3 There is no single way of defining the necessary requirements for considering foreign aid to be transparent. That is, right there, the first constraint. Basically, most donors are transparent in the sense that they guarantee that the public has access to some documentation (including the sums) about their projects. However, such a definition of each donor’s individual transparency is probably not enough to avoid that the complexity of how foreign aid is pieced together in Mozambique becomes an additional constraint for the country’s own accountability mechanisms in a state of law.

4 International Aid Transparency Initiative Accra Statement, 4th September 2008. [www.iati.com](http://www.iati.com).

5 Hodges and Tibana, 2005, p. 81

Provide full and timely information on **annual commitments and actual disbursements** (AAA 26.B)

*Provide developing countries with regular and timely information on their **rolling three- to five-year forward expenditure and/or implementation plans**, with at least indicative resource allocations that developing countries can integrate in their medium-term planning and macroeconomic frameworks (AAA 26.C.)*

**Use country systems as the first option for aid programmes in support of activities managed by the public sector.** *Should donors choose to use another option, they will transparently state the rationale for this. Where use of country systems is not feasible, donors will establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures (AAA 15.A e 15.B)*

In the following paragraphs, we will analyse donor performance in Mozambique on the commitments made.

### Conditions are not always clear or explicit

The so-called Programme Support Partners (PAPs), who all give a percentage of their aid as direct budget support, have defined 40 indicators in a Performance Assessment Framework (PAF) to be evaluated annually in connection with the Annual Review Process. “Sufficient progress” on these indicators is the condition for the continuation of budget support. The Performance Assessment Framework is available to the public on the PAP’s website ([www.pap.org.mz](http://www.pap.org.mz)). The PAF indicators are chosen from among the PARPA II indicators, but the process of how priority is given to these indicators is neither public nor democratic.

Apart from what has already been mentioned, the Memorandum of Understanding (MoU) between the PAPs and the Government is based on another set of conditions, called “basic principles” of governance.<sup>6</sup> The donors make an annual evaluation as part of the Annual Review Process on the performance on the PAF conditions and the basic principles, which is published. However, a part of the evaluation, the so-called “political dialogue” takes place at the highest political-diplomatic level (headed by Ambassadors and Heads of Cooperation), and these negotiations are generally not open or public, although the conclusions are published in the Aide Memoir.

Two of the PAPs – the European Commission and the World Bank – have exceptions in the MoU that can be interpreted as additional conditions. The European Commission makes the MoU subject to the Cotonou Agreement that regulates the commercial relations between Mozambique and the European Union. The World Bank makes the MoU subject to the World Bank Statutes and to the financing agreement with the Mozambican Government.

Project support (still the most dominant form of aid in Mozambique) is subject to its own set of conditions, which are, of course, not always communicated. According to Hodges and Tibana (2005), “*project support has contributed to the fragmentation of Government planning, budgeting and management, and has made business costs rise because of the multiple conditions, management procedures and accountancy requirements imposed*”.<sup>7</sup>

<sup>6</sup> The three basic principles are: To secure peace and promote democratic political processes, independence of the juridical powers, the Constitutional State, respect for human rights, good governance and integrity in public life, including the fight against corruption; To give priority to the fight against poverty through its policies, plans and public expenditure patterns; And to proceed with solid macro-economic policies and effective public finance management systems.

<sup>7</sup> Hodges and Tibana, 2005, p. 109.

Donors, like the United States and Japan, publish reports on their projects and programmes, but it is difficult to know, if all the conditions are made public. Some of the not so traditional donors like China, India, Brazil, Turkey and Korea do not usually make their conditions public. Even though some of these donors (China, Turkey and Korea) adhere to the Paris Declaration, they do it (probably) in their capacity of aid receivers and not as aid donors<sup>8</sup>, which means that they have not even undertaken this obligation.

The IMF has included conditions in its Memorandum of Economic and Financial Policies (MEFP), which come in addition to the PAF conditions. They include macroeconomic conditions (for example reforms of the Tax Administration and of the financial sector, and the creation of a Secretariat for the Extractive Industry Transparency Initiative (EITI))<sup>9</sup>. It is correct, though, that the reforms required by the IMF with regard to e-taxation could indeed contribute to improving transparency in Government revenues (see section II).

Some partners, like the IMF, the World Bank, the United Nations and the Global Fund, are also conducting political dialogue at the highest level and “behind closed doors”. Even though they say that they publish the results of their negotiations or, like in the case of the IMF, hold meetings with civil society about their missions in the country, the quality and extent of the published information may not be sufficient. The informative notes from the negotiations held during the IMF missions with the participation of the World Bank, for example, usually only refer to the indicators, without mentioning the additional conditions (like, for example, not allowing the Government to establish a rural public bank).

Finally, even though, on a technical level, the conditions and the evaluations are more or less clear, according to Castel-Branco et al (2009) *“The ambassadors make their own final political evaluations independently of the working groups’ conclusions, and it is the ambassadors’ evaluations that count”*.

## **Lack of clarity on the volume, allocation and results of development aid**

There will be no transparency whatsoever, if the funds negotiated directly between the donor and the Government are not made public, or if the execution of funds that were published or included in the State Budget is not reported on.<sup>10</sup> The fact that the implementation of projects included in the State Budget is not reported on could be to hide attempts to avoid paying customs duties or of the embezzlement of funds.

The information given about direct general or sector budget support and joint funds is normally quite detailed, regular and on time (included in the calendar of commitments). The responsibility to inform on the spending lies with the National Public Accounting Directorate (DNCP) by way of the General State Account (CGE) and (provisionally) the Budgetary Execution Reports (REOs).

Most of the PAPs also supply regular information about their “on-budget” projects by way of reports and specific communiqués (for example letters to the National Budgeting Directorate (DNO) and the National Treasury Directorate (DNT) and through ODAMOZ ([www.odamoz.org.mz](http://www.odamoz.org.mz))– the Official Development Assistance to Mozambique database). ODAMOZ also includes information about all the different types of aid, including “off-budget” projects. The only donors that do not inform through ODAMOZ are the non-traditional ones.

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8 See the discussion on this with regard to China here: <http://betteraid.org/blog/?p=38>

9 IMF (2009) Mozambique, Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, <http://www.imf.org/external/np/loi/2009/moz/111809.pdf>

10 In the water and sanitation sector, for example, various projects are financed by not-traditional donors, from which the execution is not reported.

A serious problem with ODAMOZ in relation to the Government is that it is not compatible with e-SISTAFE (the electronic, on-line State Financial Administration System). It is the intention that the new version of ODAMOZ (2.0) should be compatible with the DNO project database (based on e-SISTAFE) and this is expected to be up and running from June 2010. However, some of the “newer” partners, in particular UN agencies, do not fill in ODAMOZ correctly, which has not been given any special attention from ODAMOZ in the Ministry of Planning and Development (MPD). When quality is not checked, these errors are likely to repeat themselves in ODAMOZ 2.0.

The way the Government publishes the achieved results is through the review reports on the Economic and Social Plan (BdPES) and the strategic matrix annexed to them, while the donors publish them through their own monitoring systems. However, there are still a number of significant gaps like the lack of public information on the evaluations and results of the non-programme aid (projects, humanitarian aid and support to civil society organisations).

### Information gaps affecting the health sector

In order to plan and to be accountable, the Government needs information from the donors about their annual commitments and the real disbursements as promised. The most effective way of obtaining transparency is to channel the disbursements through the Single Treasury Account (CUT) (see table I).

The Public Expenditure and Financial Accountability report (PEFA) from 2008 actually concluded that: *“What is needed is a system, through which the sectors inform the National Treasury Directorate (DNT) of the expected flow of the projects. This can only be done in an effective way by increasing pre-visibility of the external project disbursements and by increasing the use of the CUT”* (PEFA 2008).

When aid to one sector is very fragmented into different projects, it is difficult to ensure communication between donors, sectors and the DNT, which is exactly what is happening in the health sector. In 2008, for example, like in the previous years, the partners in the health sector tried to compile the data about future disbursements to the sector. However, when the file was sent, the Ministry of Health staff called the donor that headed the working group and asked about the missing description for the UNICEF part of the funds, wanting to know whether the funds were going to the Ministry or to other institutions. The fact that the part of the funds dedicated to the Ministry was not sufficiently described reduced the usefulness of the information sent.

The practice used by the UN, designing cross-cutting programmes in various sectors (health, communication, education) on their own accord, on top of including the expenses for own staff members as part of the support to Mozambique, complicates the flow of information. The UN, in this way, does not provide an accurate picture of its financial contribution to the sector.

Other partners, like the Global Fund, the biggest donor in the health sector, decides unilaterally about its disbursements and does not necessarily adhere to the Sector Wide Approach (SWAP) commitments calendar for the sector (see Box 2).

According to a staff member at the Finnish Embassy, *“when projects are implemented by the donors, the flow of information from the donor to the sector and from the sector to the Ministry of Finance sometimes gets fragmented”*.

The result of this is that the Ministry of Health is not able to plan properly for the use of the financial commitments (and neither are the Ministry of Finance and the Parliament). In other words, the

support to the sector is unpredictable, which is in contradiction to the commitments in the Paris Declaration.<sup>11</sup>

## **Box 2. The Global Fund and the unpredictable support to the health sector**

The Global Fund for Aids, Tuberculosis and Malaria (GFATM) is the biggest donor in the health sector. GFATM has signed the health sector memorandum together with 13 other donors, promising to make their financing predictable and align it with Government budgeting. But the GFATM has continued to enforce its own conditions in the fiscal year and has, as such, made it impossible to predict the financing of the sector. In 2007, GFATM only disbursed 53.5% of the funds promised (estimated to be more than 40 million US Dollars) and this only during the last 4 weeks of the year, so that it became impossible for the sector to spend the funds on the services that it needed to implement during all of 2007.

## **Aid predictability still a challenge**

It is important for the Government to be able to predict aid flows in order to plan and budget adequately and to avoid the collateral negative effects of foreign aid at the macroeconomic level. The biggest problem is that specific sectors, like health and within the area of HIV/AIDS, cannot predict and plan (no medium term transparency) with the prominent presence of partners that are not Programme Support Partners (PAPs).

Half of all foreign aid is still project support, and most of it is not predictable. These unpredictable projects are mainly: Those included in the State Budget but managed by the donors, those erroneously included in the State Budget, and those not included in the State Budget (off-budget). Only those projects that are on-CUT include an estimate of future disbursements. Big projects, like, for example, support to urban water and sanitation, are channelled through CUT. The Ministry of Finance has been encouraging the donors to channel project support through CUT, but response is still slow, and there are donors, who prefer to manage the funds themselves, even though they are included in the State Budget. In total, only 5 – 10% of all project support is channelled through CUT and is, as such, predictable.<sup>12</sup>

The remaining 40 – 45% of the support (unpredictable projects) is spread over all the sectors (or almost all the sectors), but the biggest part is to be found within the social and humanitarian areas, especially within health and HIV/AIDS, food aid and food security and emergency aid. Support to international and national civil society organisations also tends to be channelled through project support – and transparency is in this respect very important, especially when the CSOs deliver basic services, or when there is overlapping with Government activities.

In 2008, for example, there were US\$62 million (66 million in 2007) for food aid, which were not registered on CUT, and which are usually only registered in the State Budget during the implementation phase (when the money has already been handed over) and not in the budget proposal or in the economic and social plans. In the same year, US\$32 million in humanitarian aid were reported, and the Government has no control over this money, neither at planning, budgeting, execution, reporting, monitoring nor at evaluation level (see Foley, 2007).

11 The situation in the health sector is worsened by lack of disbursements or late disbursements from some donors, especially those that are not responsible to Parliament, like the Global Fund. This is one more anecdotal piece of evidence of the fact that in the absence of accountability mechanisms (such as Parliament) financial management performance becomes poorer.

12 Budget Execution Reports (2008)

### Attempts to make funding more predictable

Projects that adopt a programme based focus, and those that are incorporated into Government structures, provide implementation plans, which make financing more predictable. Some examples: The World Bank programme on decentralised planning and financing at the Ministry of Planning and Development (MPD), the Millennium Challenge Account at MPD, the Support Programme to Farmers in the Zambezi Valley at MPD/DNPDR and the FEWSNET disaster warning programme, among others. But sometimes authorities from the different sectors do not demand the forecasts or implementation plans from the partners (for example, FAO projects at the Technical Secretariat for Food Security and Nutrition (SETSAN)).

However, there are many imperfections and differences between the way the sector working groups act with regard to the decisions to disburse funds (conditions within the fiscal year) and the use of national financial execution procedures (not using them de facto makes things unpredictable).

For example, even though the World Bank has signed the Paris Declaration and also adheres to the PAP MoU, it has done this without in any way giving up its exclusions and reservations, which allow it to, for instance, demand procurement procedures and audits that are different from those of the Government. Even though the Global Fund adheres to the Paris Declaration, it does not adhere to the PAP MoU, and as such its conditions and the conditions under which it can freeze disbursements are different, as shown in Box 2 about the Global Fund for AIDS, Tuberculosis and Malaria (GFATM).

These circumstances make it more difficult to predict aid, especially within the health sector and the area of HIV/AIDS (but there are also other examples, like the World Bank *Fast Track Initiative* in the education sector, which also has independent procedures and conditions). In spite of this, some donors, like the World Bank, who cannot use all the national public finance management systems, have agreed to eliminate conditions, at least within the fiscal year.

Apart from this, new joint funds have been established during the last three years. For example, in 2009, the health sector joined the various funds of the sector into one single joint fund, which is subject to the principle of being predictable (PROSAUDE II). In the same way, new predictable joint funds were established to support the Administrative Court and the sub-sector of rural water and sanitation.

As such, all the joint funds, with the exception of the medicinal fund, use national budget execution procedures and require the publishing of commitments for the following year, which has made support considerably more predictable.

### Still lack of predictability in the medium term

Budget support (about US\$452 million in 2008, according to the OECD<sup>13</sup>) is predictable within the fiscal year, but the support for the following years is still not very predictable. Budget support represents only 25% of the total official development aid registered by OECD.

The Programme Support Partners confirm their budget support for the next financial year (which in Mozambique coincides with the calendar year) each year in May, four weeks after the annual review. None of the PAPs have conditions “within the fiscal year”, and as such, the Government can plan and budget in more detail. Transfer of funds will only be frozen, if some violation of the basic principles in the MoU can be detected. However, the recent “crisis” between the PAPs and the Government seriously affected the ability to predict support, as the PAPs did not disburse

13 Creditor Reporting System Dataset. [www.oecd.org/stats](http://www.oecd.org/stats)

any funds between December 2009 and the end of March 2010. The donors were not satisfied with the election process of the 2009 elections and with the lack of progress in the fight against corruption and conflicts of interest. However, it was not in any way concluded that there had been “a violation of a basic principle”<sup>13</sup>, which should have been the case for them to freeze budget support disbursements.

Nevertheless, it is probably quite limited how predictable the support will become in the medium term. Only two donors (DFID and Dutch Cooperation) have rolling, multi-annual budget support agreements. Most of the other PAPs (except Finland and Germany) have multi-annual agreements, but when they are about to come to an end, as is happening with many of them right now, it is not guaranteed that new agreements will be made.<sup>14</sup>

There are, however, some improvements, like for example the contract on the Millennium Development Goals approved in 2008 by the European Union, and the DFID 10-year commitment to finance the increased subsidies in the food programme.

## Potential for using national systems still not fulfilled

With regard to foreign aid flows, there are various levels of transparency, where the highest level is the channelling of funds through CUT (which automatically implies that they are included in the State Budget).

It is important to use the national public finance management systems in order to strengthen Ministry of Finance and Parliament control over public funds, and the best way to improve the systems is to use them. The following table shows the different levels of financial transparency, which depends on the degree, to which the budget execution systems are being used.

**Table I (See the expanded version of this table in annex 1)**

Terminology	Transparency mechanisms	Level of transparency
<i>On-CUT</i>	Funds transferred to the Single Treasury Account (CUT)	Maximum
<i>On-Budget and Off-CUT</i>	Funds not transferred to CUT but included in the State Budget	High
<i>On ODAMOZ</i>	Prevision and disbursement of funds registered correctly in the ODAMOZ database	Medium
<i>Off-Budget</i>	Funds not included in the State Budget (should have been included)	Low
<i>Erroneously on - Budget</i>	Funds erroneously included in the State Budget	Low
<i>On Plan</i>	Project activities reflected in the economic and social plans and in the sector plans	Low
<i>Donor and UN agency reports</i>	Funds disbursed detailed in donor reports	Low
<i>Erroneously on - ODAMOZ</i>	Funds registered in the ODAMOZ database, but incorrectly so	Low
<i>Do not exist</i>	Funds negotiated with the Government and not published, or executions not reported	Zero

14 Memorandum of Understanding between the Mozambican Government and Programme Support Partners [http://www.pap.org.mz/downloads/mde\\_marco\\_2009.pdf](http://www.pap.org.mz/downloads/mde_marco_2009.pdf)

Budget support, per definition, uses the national systems, up to a certain point, and is programme support. Sometimes the internal regulations of the multilateral organisations (World Bank, UN agencies, African Development Bank) do not permit them to use some national systems (in particular procurement and auditing systems), which is the reason they use parallel systems, but they do not give a transparent explanation for these reasons (incompatibility of systems and no will to adapt their practices to the national systems).

Some projects are ring-fenced, but this does not mean that they do not live up to the national systems, because ring-fencing is permitted according to the SISTAFE regulations. The Medicinal Fund, for example, is ring-fenced, off-CUT and follows the World Bank procurement rules, but this does not necessarily mean that its operations are contrary to the national norms of SISTAFE. On the other hand, the Millennium Challenge Account, even if it is integrated in the Ministry of Planning and Development, uses its own procurement and auditing systems.

The fact that responsibilities have not been clearly defined affects whether projects are or are not included in the State Budget. If they are not included, or if they have been included incorrectly, they hinder transparency and will cause a number of negative consequences. According to the DNO, responsibility for the inclusion lies with the sectors. According to the sectors, they follow the requests of the donors. The donors want clearer indications and decision-making from the DNO.<sup>15</sup> The final outcome of this is that there are still projects that should have been included in the State Budget but are not (off-budget projects) and, at the same time, projects that are included even if they should not be (the on-budget projects, incorrectly included). The Ministry of Finance does not assume responsibility for this lack of transparency, and neither do the sectors or the donors.

With regard to the projects that have been included, rather dubiously, in the State Budget, as their funds are managed by donors or partners, the responsibility of the Government, and thereby, the ability to control the funds by the Parliament, becomes somewhat diluted.

The following table (Table II) shows the performance of the different PAPs with regard to the indicators on the use of national systems. The differences between donors as to the percentage of aid disbursed to the Mozambican Government using normal budget, auditing and procurement procedures can be seen here.

**Table II: Performance of Programme Support Partners and associated donors (the USA, UN) in accordance with their annual Performance Assessment Framework 2010.**

Position	Donor	12a – Use of national budget procedures	12b - Use of national auditing procedures	12c - Use of national financial reporting systems	13- Use of national procurement procedures	Average %	Points related to the Annual Performance Assessment Framework (max 7, min 0)
1	UK	98%	77%	98%	98%	<b>93%</b>	<b>7</b>
2	Ireland	94%	73%	92%	92%	<b>88%</b>	<b>7</b>
3	Holland	100%	38%	90%	100%	<b>82%</b>	<b>6</b>
4	Switzerland	83%	74%	83%	83%	<b>81%</b>	<b>7</b>
5	Finland	90%	51%	90%	92%	<b>81%</b>	<b>7</b>
6	Belgium	83%	52%	83%	100%	<b>80%</b>	<b>7</b>
7	France	81%	54%	79%	90%	<b>76%</b>	<b>7</b>

<sup>15</sup> IESE, (2010), *Moçambique, Avaliação Independente do Desempenho dos PAP em 2009*, 12 (Independent evaluation of PAP performances in 2009).

8	European Commission	77%	65%	77%	77%	<b>74%</b>	7
9	Spain	75%	62%	75%	75%	<b>72%</b>	7
10	Canada	84%	35%	79%	81%	<b>70%</b>	6
11	Sweden	72%	54%	71%	71%	<b>67%</b>	7
12	Italy	100%	48%	48%	67%	<b>66%</b>	5
13	Austria	65%	50%	65%	65%	<b>61%</b>	7
14	Denmark	50%	33%	69%	84%	<b>59%</b>	4
15	Norway	65%	44%	58%	65%	<b>58%</b>	4
16	World Bank	60%	43%	55%	55%	<b>53%</b>	2
17	Germany	63%	21%	63%	63%	<b>53%</b>	4
18	African Development Bank	40%	40%	40%	40%	<b>40%</b>	0
19	UN	3%	0%	3%	11%	<b>4%</b>	0
20	Portugal	4%	3%	3%	4%	<b>4%</b>	0
21	United States	0%	0%	0%	0%	<b>0%</b>	0

The good performance of donors like DFID (UK), which during the last three years has achieved maximum points in the annual Performance Assessment Framework, Ireland and Switzerland, should be noted. The partner that has improved its performance in the shortest time is Spain. On the other hand, Portugal and the African Development Bank (both PAPs) have been the weakest performers. The performances of the United States and the United Nations are also quite weak. Even though the latter two have not contributed with direct budget support, they could have used the national systems with regard to project support.<sup>16</sup>

Some donor offices argue that they are limited by the donor country's own systems, which goes to show that many donor agencies (both in their home countries and in the benefiting countries) have not responded effectively to the commitments assumed by them, when they signed the Paris Declaration and the Accra Action Agenda.

However, there are some experiences that show good practices in Mozambique, which could serve as guidelines for the donors. For example, DFID employed a consultant in 2009 to adapt the DFID systems to the systems of the Government, in order to make them compatible and to maximise the use of the national management systems.

16 DNO has asked BAG to help investigate the question of projects being or not being included, which goes to prove that DNO does not automatically accept the information in ODAMOZ.

### III. TRANSPARENCY BUDGET

#### The importance of budget transparency

The concept of transparency, when it comes to the budget, should not be understood only as referring to the General State Budget but as the whole set of processes of planning, budgeting and accounting at the various levels: municipality, district, provincial and central.

Transparency in the budget is essential in democratic states, as the original owners of public resources are citizens, who have the right to know how their money has been spent and with what result. The demands for accountability are part of the minimum demands to a democracy, but in Mozambique, according to Adriano Nuvunga (CIP) *“The budgetary process is exclusively a Government matter and the window of opportunity for participation (of others) is quite insignificant”*.

Apart from the constitutional and legal perspective, transparency in the budget is important as a stimulus for more effective taxation policies and public spending in Mozambique. If the budget is not made transparent and is not monitored, officials will have the opportunity to embezzle public funds, which will deprive the nation of its ability to use public spending as a mechanism to promote development and to reduce poverty.

As opposed to the developed countries, in Mozambique the Government is the entity with the most human resources and influence over national economy, thanks to the public resources from the Mozambican citizens and the citizens of donor countries. The Government is therefore the entity best equipped to contribute to development, but for it to do this, funds must be spent in a transparent, efficient and effective way.

#### The planning and budgeting phase

In theory, the first steps in drawing up the budget are taken with the Medium Term Expenditure Framework (MTEF) information: by making an estimate of the available resources (internal and external revenues), based on a number of medium term (three years) macro-economic assumptions on the country's economic growth, the growth in the balance of payments and the estimation of tax collections and effective (not the promised) donor disbursements.

However, the General State Budget each year defines its own budgetary ceilings, and as such, there is no real medium term dimension to the budget in Mozambique, neither for revenues nor for expenditure. It can therefore be said that there is no “transparency in the medium term”, because the Government itself does not use the MTEF projections, which is actually not compulsory. Furthermore, Mozambique is in a situation, where planning (PES) is disconnected from budgeting (OE).

Furthermore, the different sectors do not present any cost analyses of their programmes for the Medium Term Expenditure Framework (MTEF), and the Ministry of Planning and Development does not demand them. It can then, once again, be concluded that the Ministry does not assume its law-established responsibilities. As a consequence, the different sectors present proposals for the MTEF on the total expenditure, on the one hand, and lists of activities (in the PES style), on the other, without knowing how much it will actually cost to achieve their objectives. These proposals sometimes do not even follow the sectors' own strategic plans, which is a source of confusion with regard to the real objectives and programmes of the individual sector.

One of the first constraints for budget transparency is the fact that the General State Budget is not sufficiently inclusive of other levels (in particular of the municipal level), and this is why it is seen more as a central Government budget than as “the General State Budget” as established by the Constitution.

This great economic policy weakness in Mozambique is not usually the focus of donor’s attention, who assign their macroeconomic guarantees to the IMF missions coming in from Washington (see page 7 for more information about IMF conditions).

The opportunities for civil society to participate in annual planning and budgeting at national level are inexistent. Only a few Maputo-based organisations with staff professionally trained in this area get the chance to comment on the published documents or to debate them in Parliament.

### **Regarding documents produced**

The main accountability mechanism is the timely publishing of all documentation relevant to planning and budgeting. Here, not only the PES, OE, REO and BdPES should be included, but also the CGE, MTEF, Administrative Court reports, General Financial Inspection reports, Parliament reports, etc. However, transparency is more than just publishing documents. It also requires consistency between the Budgetary Law, approved by Parliament, and the final execution of expenditure.

Hodges and Tibana (2005) have noted that: *“budgetary execution is significantly different from the provisions formally approved in the Budgetary Law, because of the numerous subsequent adjustments (most of which can be put into effect by the Ministry of Finance without consulting Parliament) (...) Hundreds of alterations are made in this way, through the emission of ministerial dispatches. This practice tends to weaken the legitimacy of the State Budget.”*<sup>17</sup>

Looking at the executed expenditure, the fact that the General State Accounts are not made available on time by the DNCP, who has delayed their publication for almost two years, leaves a big gap. The CGE is the only official document to describe the final expenditure (actually spent).<sup>18</sup>

In spite of the CGE being shared with the PAPs, they are not made available to the general public on time, and there is no open database with the whole set of General State Accounts. SISTAFE legislation establishes that the audited State Accounts must be submitted to Parliament within eight months. This is also confirmed by the Civil Society Training Centre (CESC) *“e-SISTAFE may write up reports in accordance with the needs of the users, but few of these are shared”*<sup>19</sup>, and the “smart” reports from e-SISTAFE are not shared with Parliament. On top of this, when researchers ask DNCP for the CGE, they are in no way guaranteed that DNCP will make them available.

Instead of making demands on DNCP and the CGE, the donors have focused their attention on the documents that are sent to them regularly: the quarterly budget execution reports. These reports do not include all the expenditure (only the expenditure reported within 45 days after the

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17 As QAD is the most advanced benchmark on the application of the Paris Declaration principles, the results should be interpreted within their proper context. The PAP PAF does not evaluate the results nor the impact of the aid disbursed, and it punishes the most active donors, like the private sector and civil society (like Canada and Germany) or the ones that channel funds to infra-structure projects (for example Norway, which is lead donor within aid to electrification in Mozambique), which are usually ring-fenced. For a more detailed analysis of this weakness, see Castel-Branco (2009) *Revisão e Desempenho dos Parceiros de Ajuda Programática em 2008 e análise das Tendências entre 2004-2008*. Maputo: IESE.

18 Hodges e Tibana, 2005, p. 68 and p.79.

19 However, according to De Renzio *“when speaking of the public budget, transparency and the availability of information it is more than sufficient for civil society to be able to analyse and monitor the flow of public expenditure”*. *Ideias Boletim* Nº 27, IESE, December 2009.

end of the quarter). Nevertheless, the donors make their analyses, sometimes speculative, of the REO, even if it does not contain the final data.

Furthermore, the fact that the previous year's CGE is not available when the budget ceilings are defined, makes these ceilings unrealistic, so that they must later be reviewed during the course of the year, which proves the initially defined budget ceilings not to be trustworthy.

As such, the flaws and inconsistencies in the CGE repeat themselves every year. Finally, according to a PAP economist, *"the Administrative Court ought to improve the dissemination of its work to the general public. For example, it could publish its report and remarks about the CGE on its website right after they have been submitted to Parliament. This would mean that the 2008 remarks would already be available on the site"*.

### Local budget transparency and accountability

The experiences with monitoring budgets at district, municipal and provincial levels in Mozambique are still quite rudimentary<sup>20</sup>. The lack of proper institutional accountability mechanisms at these levels to guarantee access to information is contributing to this gap.

However, the organisations that are active within this area (among them AMODE, GMD, LDH and CIP) have been able to identify important constraints, which include: lack of collaboration and intimidation by local authorities, which could include the refusal of the right to information otherwise stated in the Constitution; secrecy (not publishing some of the local duties and taxes); documents not made public; the reservations some public officials have to sharing information; peoples' lack of interest and motivation; the lack of interest among some local participatory forums; the lack of interest among Municipal Assemblies in consulting the community.

As to decentralised budget accountability, regulated by the Law on Local State Organs (presently being reviewed), Hodges and Tibana say that the Law *"does not make mention of any local accountability mechanisms down through the system through the elected provincial and district organs (...) and it does not place any substantial responsibilities on provincial governments, apart from the coordination of government activities, but limits itself to reaffirming (...) the responsibility to coordinate government activities at district level"*.<sup>2122</sup> The Provincial Assemblies have no decision making power with regard to the provincial budget, and there is a lack of connection between the plans and budgets at district and provincial levels.

Because the Investment in Local Initiatives Budget (OILL) remains outside the e-SISTAFE it is neither clear nor transparent, and even locally generated revenues are not controlled.

20 Hermenegildo Mulhovo, CESC.

21 It is noted that, generally speaking, civil society activities with regard to the budget can be divided into two types: 1) budget monitoring, accountability and follow-up on revenues and expenditure, and 2) Lobby and Advocacy work to influence the application of funds. However, in Mozambique 75% of the total public resources are applied at central level, reason for which Lobby and Advocacy work to this effect is mainly done in Maputo, while monitoring could be done country-wide. So, when there is no effective accountability, the incentives to embezzle funds are not opposed, and as such advocacy work to influence the application of funds has a limited effect.

22 Hodges and Tibana, 2005, p. 92

## Monitoring

### The lack of government analyses of public expenditure efficiency and effectiveness

Only some donors try to estimate public expenditure efficiency and effectiveness by way of instruments like the Public Expenditure Review and the Public Expenditure Tracking Surveys. The MoU requires that an audit of annual performance be made through the joint selection of one sector (for example, the water and sanitation sector, health (medicinal area), justice, agriculture...).

Generally speaking, the Government is not transparent with regard to achieved results and the relation between the results (or the intended results) and the costs. In other words, the Government does not produce information about the value for money of public investments.

The Government has been improving the information it supplies by way of including the strategic matrix in the last two PES status reports (with specific indicators and achieved results), but it could be improved further, as the matrix had not been completed, when it was submitted to Parliament. As donors have noted on various occasions (to no avail), the Budget is made without having any connection to the economic and social plan (PES), which makes the PES and its annual review report (BdPES) rather irrelevant. As the BdPES is the political document (submitted to Parliament), it is clear that there is some resistance to making it more analytical. However, the Government's technical capability of supplying easily available and understandable information, also to those of us who are not economists, is still quite low.

### The multiplicity of national monitoring and evaluation systems

There are three systems for reporting on achieved results. Two of those have been established at the request of the donors: 1) the BdPES, which is submitted to Parliament; 2) the Annual Performance Assessment Framework approved and presented to the PAPs, which is not submitted to Parliament; and 3) the PARPA II strategic matrixes, which are submitted to Parliament as an annex to the BdPES. The Annual Performance Assessment Framework is made together with the donors, and, in theory, with civil society, through the working groups. The Ministry of Planning and Development (MPD) has been trying to include civil society, but due to civil society's weak capacities and organisation, very few organisations have been involved.

Responsibilities for the management of foreign aid and donor support at macro level have not been properly defined, either. By way of their joint reviews, the Government and the PAPs have up till now "agreed by consensus" on their performance evaluations, which is a nice incentive to "forgive" each others' faults. This, however, tends to bring fewer improvements and is used to explain away before civil society (both in the donor countries and in Mozambique) the negative effects of the poor performance registered within some areas. This "perverse incentive" has been *minimised* by the signing of the new Memorandum of Understanding (MoU) between the Government and the PAPs, as this established separate performance evaluations. The results of this, however, still remain to be seen.

### Opaque areas of the state budget

There are a number of public expenditure areas that are not made very clear to Parliament and civil society:

1. Locally generated revenues, over which the Administrative Court has no control whatsoever (each sector is free to project and report on whatever level of collection it will).

2. Transfers (subsidies, loans, deferment agreements) to public companies.
3. Transfers to private organisations, like the Confederation of Economic Associations (CTA).
4. Transfers to groups such as former freedom-fighters, the food subsidy programme (which has not got its own budget line), the National Social Security Institute (INSS) funds (which in the past were subject to inappropriate appropriations), etc.

However, even though the Administrative Court (TA) has been commenting on a number of these inconsistencies and opaque areas, year after year the Ministry of Finance has ignored the observations and recommendations in the TA reports and the remarks from the Parliament Budget Planning Commission. Once again, it can be concluded that the institutions that ought to be accountable do not assume their responsibility. This is particularly true about the DNCP.

#### Civil society participation in monitoring

Civil society participation in the planning process has been facilitated to a degree by the Government, in accordance with what it has promised the PAPs, by establishing a participatory platform through the Development Observatories. However, the results vary greatly from province to province. At national level, a decrease in intensity and quality of participation from the organisations representing civil society has been seen, especially after the approval of PARPA II on the 2<sup>nd</sup> of May 2006.

Finally, the question of SCO will and capacity is a further constraint added to the opaque areas in the State Budget. According to Macuane, J.J. et al (2008) *“the CSOs have not got the visions and the capacities in the area of budget analysis and monitoring”*.

In the high-focus areas there are some examples of monitoring work, where it has been tried to overcome some of the above-mentioned constraints. They are: The Inter-parliamentary Forums organised by GMD and with the participation of national and provincial deputies; the participation of CSOs in the National Council for the Advancement of Women, in the food security vulnerability analyses, in the National Food Security Council, and in the National Council for the Fight against HIV/AIDS. The spaces created for the participation of civil society are commendable, but just like in the case of the Development Observatories, the Government is not obliged to incorporate or take into account the conclusions and recommendations coming from these forums. Furthermore, the EITI group has not yet started working, which can be interpreted as a lack of interest on the part of the Government with regard to accountability in the extractive industry.

## IV. CONCLUSIONS

Both the Government and the donors have made an effort to improve the public finances system and to improve transparency and accountability in the budget and in aid. However, civil society, Parliament and even the Government, are still facing a number of constraints with regard to their work with the budget.

Most of the donors in Mozambique have committed themselves to the Paris Declaration and the Accra Action Agenda. However, their performance is not always improving, in particular, when it comes to the multilateral institutions (UN, WB and ADB). Even though influential partners, like the IMF and the GFATM, have also signed the Paris Declaration, they cannot be part of the PAP and Government performance evaluation system. This is why the Government is trying to establish a code of conduct, which is to be a kind of “umbrella” with a matrix of Government and partner commitments (including non-traditional donors, vertical funds, multilateral institutions, etc.).

The information provided about the total amount of aid given to Mozambique is still insufficient. It is not made sufficiently clear how much money is invested in what and where, and the Mozambican Government has not got sufficient information about how much aid will be available in the future. This state of affairs makes it difficult for the Government to plan and evaluate, and the constraints also limit donor accountability to the citizens of Mozambique. Improvements and a higher degree of transparency are needed.

Channelling aid through national systems is one way of increasing transparency. But 46% of aid disbursed to the Mozambican Government still does not use national budget procedures, and 64% does not use the national auditing system. Portugal, WB, ADB and France are four of the partners that very much need to improve their performance on the above-mentioned issues, and the USA and UN still need to do a lot better.

The Government has made an effort to improve the public financial system by introducing the Single Treasury Account (CUT), which is still a very new initiative. Meanwhile, accountability by way of other mechanisms has not improved in the same way. For example, PES and BdPES are still disconnected from the State Budget, and the Government’s reaction to the Administrative Court report and the report from the Parliament Planning and Budgeting Commission is still insufficient and inconsistent. Finally, the Government (through DNCP) is still not complying with the SISTAFE Law requirements with regard to publishing the final expenditure within eight months of its execution.

One of the main factors in limiting budget transparency is that reports, both central and local, are made too late and/or are not made available. With regard to the decentralised levels, the legal scenario is not conducive to transparency, and the links, in terms of planning, budgeting and accounting, from district to province, as well as from province to central level, are weak or non-existent.

As such, civil society participation in budget monitoring processes is limited by the above-mentioned constraints, as well as by the fact that civil society organisations have their own organisational limitations including institutional and technical capacities.

## V. RECOMMENDATIONS

### For donors, UN agencies and vertical funds:

1. Supply information about all aid on time and in a format compatible with the budget classifications, even if it does not go into the CUT.
2. Channel as much foreign aid as possible to the Government through the use of CUT, in particular aid for the health sector.
3. Ensure that ODAMOZ is compatible with e-SISTAFE, and control the quality of the information provided through this database.
4. Follow the examples of DFID and Dutch Cooperation and introduce rolling, multi-annual agreements for budget support.
5. The non-PAP/non-traditional donors should subscribe to the aid effectiveness principles and not create parallel systems or add their own conditions.

### For the government:

1. Define the responsibilities and demand that donors and sectors assume their responsibilities with regard to all budgetary aspects (ODAMOZ, on-budget / off budget).
2. Ensure that government officials have the necessary capacities and understand the importance of publishing revenue reports (including locally generated and registered revenues) as well as the criteria, on which the macro-economic presuppositions in the budget are based. Publication must be made within the legally-established deadlines and, in cases where these deadlines are not realistic, legislative steps should be taken to have them readjusted.
3. Publish a donor performance ranking on the quality of the information they submit to ODAMOZ.
4. Change the PES (and BdPES) formats and make them the documents, on which the State Budget are based, and by which it is evaluated.
5. Make use of the MTEF three-year projections and demand that the sectors submit budgeted proposals based on their strategic plans.
6. Make all the documentation that the public has the right to see available in accessible formats to facilitate its use and to facilitate monitoring.

### For civil society:

1. Demand the timely publishing of all the information concerning public resources, and especially concerning the CGE.
2. Strengthen its own discourses focusing on a few strategic areas (for instance, the extractive industry, revenues, public company expenditure, etc.).
3. The organisations should support existing initiatives, such as the budget monitoring forum, in order to strengthen their credibility.

4. Strengthen its participation in existing forums, like the Development Observatories, the working groups, etc., and work to obtain representation in the groups, in which it is not yet participating.
5. Demand that provincial, local and municipal level accountability mechanisms be defined and put in place.
6. Promote debates, develop position statements and other initiatives that convey the opinion of civil society in transparency related processes.

For parliament:

1. Demand accountability and transparency from the Government and donors (including the UN agencies).
2. Demand that the IMF presents the disagreements it has with the Government (with regard to macro-economic presuppositions, monetary and fiscal measures, goals, etc.) to the Planning and Budgeting Commission.
3. Establish partnerships with Mozambican civil society in order to improve the quality of oversight of public expenditure (including that financed by donors) and results achieved.
4. Ensure that all deputies act as role models with regard to demanding transparency, quality and efficiency in the district he/she is representing, increasing his/her contact with the public and civil society.

## VI. ANNEXES

1. Table of foreign aid mechanisms and transparency levels
2. Guidelines and calendar for the budget process and process involving the donors in mozambique
3. Summary of the paris declaration and the accra agenda for action commitments
4. List of sources with additional information
5. List of persons interviewed

## 1. Table of foreign aid mechanisms and transparency levels

Transparency Mechanisms	Terminology	Example	Level of Transparency	Consequences
Funds transferred to the Single Treasury Account	<i>On-CUT</i>	Direct Budget Support, Support to Sector/Provincial Budgets, some Government managed programmes (education).	<b>Maximum</b>  Transparent for MF and potentially for Parliament and CSOs (if reflected in the CGE and the REO).	<ul style="list-style-type: none"> <li>- Makes control, supervision and management of liquidity more foreseeable and better.</li> <li>- Improves the efficiency of the management of funds.</li> </ul>
Funds not transferred to the Single Treasury Account, but included in the State Budget	<i>On-Budget and Off-CUT</i>	Infra-structure projects. The funds are managed by the donors.	<b>High</b>  Transparent for MF and potentially for Parliament and CSOs (if reflected in the CGE and the REO).	<ul style="list-style-type: none"> <li>- The risk of the inclusion of the execution in the REOs being delayed.</li> <li>- Improve knowledge about projects in the country and increase the coverage of the State Budget.</li> <li>- Preferable if the institutions do not have the necessary capacities for financial management.</li> </ul>
Funds not included in the State Budget (but should have been included)	<i>Off-Budget</i>	Various projects in the health sector and within area of HIV/AIDS	<b>Low</b>  -Neither MF, nor Parliament nor the general public have knowledge hereof  - The donors can still publish them in the ODAMOZ to increase transparency	<ul style="list-style-type: none"> <li>- Parliament and civil society have no knowledge hereof. Only the benefiting institutions have knowledge.</li> <li>- The role of MF in organising the resources is weakened.</li> <li>- Erosion of the accounting system.</li> <li>- It is impossible to know how many resources have gone to the sector (example: Health 2008).</li> </ul>

<p><b>Funds erroneously included in the State Budget</b></p>	<p><i>On-Budget erroneously</i></p>	<ul style="list-style-type: none"> <li>- Funds controlled by a partner that later informs a public institution about the level of execution and the achieved results.</li> <li>- Small social area projects, like HIV/ AIDS.</li> </ul>	<p><b>Low</b></p>	<ul style="list-style-type: none"> <li>- The risk of the inclusion of the execution in the REOs being delayed.</li> <li>- Makes the separation between planning and budgeting bigger.</li> <li>- Takes the responsibility for achieving results away from public entities (partners, etc.).</li> <li>- Is an incentive for the institution to ask the partners to do the work.</li> <li>- Erosion of the accounting system.</li> </ul>
<p><b>Project activities reflected in the economic and social plans or in the sector plans</b></p>	<p><i>On Plan</i></p>	<p>Food support, social protection activities, normally managed by international NGOs with funds from the UN or bilateral agencies.</p>	<p><b>Low</b></p> <p>Not transparent to MF nor to Parliament</p> <p>-The donors can still publish them in the ODAMOZ to increase transparency</p>	<ul style="list-style-type: none"> <li>- Makes the separation between planning and budgeting bigger</li> <li>- Makes it more difficult to measure efficiency and effectiveness of public expenditure to achieve results.</li> </ul>
<p><b>Prevision and disbursement of funds registered correctly in the ODAMOZ database</b></p>	<p><i>On ODAMOZ</i></p>	<p>Most of the programmes and projects (including budget support and joint funds) of the G19 donors.</p>	<p><b>Medium</b></p> <p>Transparent to MPD (where ODAMOZ is placed), to MF and to the general public, but not to Parliament.</p>	<ul style="list-style-type: none"> <li>- Do not make use of public finance management and control systems.</li> <li>- If the funds only benefit the private sector/civil society and, therefore, do not need to be included in the State Budget, then the ODAMOZ register offers maximum transparency.</li> </ul>

<p><b>Funds disbursed with a detailed description in the donor reports</b></p>	<p>Donor and UN agencies reports</p>	<p>Some projects of donors outside the G 19.  Humanitarian aid from the international agencies (UN, international NGOs).</p>	<p><b>Low</b>  Only transparent to the donor Governments and beneficiaries, but not to Parliament and civil society.</p>	<ul style="list-style-type: none"> <li>- The risk of creating multiple accountancy systems (one for each donor).</li> <li>- Strengthens Government power without Parliament and civil society having any knowledge or possibility to control.</li> <li>- The Government should publish the information.</li> <li>- In the cases of humanitarian aid, the agencies responding to the emergency make a parallel plan to that of INGC, which weakens the national accountancy system.</li> </ul>
<p><b>Funds registered in the ODAMOZ database, but incorrectly so</b></p>	<p><i>Erroneously on ODAMOZ</i></p>	<p>Some UN agency projects.</p>	<p><b>Low</b></p>	<ul style="list-style-type: none"> <li>- Diminish the quality and credibility of ODAMOZ, reduce the incentives for the Government to use ODAMOZ in its strategic planning and budgeting.</li> </ul>
<p><b>Funds negotiated with the Government and not published or executions not reported</b></p>	<p>Do not exist</p>	<p>Bilateral projects with the Mozambican Government of some “non-traditional donors”.</p>	<p><b>Zero</b></p>	<ul style="list-style-type: none"> <li>- Lack of democratic control. Neither Parliament nor civil society have knowledge hereof.</li> <li>- The Government should publish the information.</li> </ul>

## 2. Guidelines and calendar for the budget process and processes involving the donors in mozambique

DATES	Government Budget Process	Process Involving the Donors (commitments, disbursements, annual review)
End of October:	Letter from His Excellency The Minister of Planning and Development to the Council of Ministers stating the CFMP stages and calendar	
November	Methodology and forms available to the sectors and the general public on <a href="http://www.mpd.gov.mz">www.mpd.gov.mz</a> , <a href="http://www.mf.gov.mz">www.mf.gov.mz</a> , <a href="http://www.dnpo.gov.mz">www.dnpo.gov.mz</a>	
From November to February	The sectors harmonise with the provinces and the subordinate institutions  The CFMP Technical Team (DNO, DNEAP, DNP) are to supervise the work of the sectors	
February	The sectors send their proposals with justifications and projections	The PAPs and other donors hand in their “preliminary commitment indications” (which are not, however, real commitments) for their medium term financing for the years n+1, n+2 and, whenever possible, n+3, using the ODAMOZ. This, in theory, feeds the CFMP, but the ceilings used for the budget are defined during the State Budget elaboration process, previous to the CFMP. As such, CFMP elaborates the State Budget, even though the opposite should be the case.  The MPD elaborates the PES status statement for Parliament.
March	Globalisation of the document by the Technical Team	The sectors make their annual performance reviews (including all the donors);  This is compiled in one Mozambican Government Performance Assessment Framework (PAF) “classified” for year n-1;  The “classified” PAP PAF for year n-1 is concluded.
April	Definition of the State Budget limits  Conclusion of the CFMP document	The PAPs hold a political level dialogue with the Mozambican Government on the preoccupations and the issues that may have emerged.

<p><b>May/June</b> <b>(approval of the CFMP delayed in recent years)</b></p>	<p>31 May: Deadline for sending the initial budget ceilings to the budget units, including methodologies and orientations for the elaboration of their proposals for the budget and for PES</p> <p>Approval of CFMP by the Council of Ministers</p>	<p><b>End of April – Beginning of May:</b></p> <p>The PAPs make a joint evaluation, discuss their decisions about the commitments and agree on their response, in particular with regard to the performance of the sectors (SWAP/commitments to the Common Fund) and to performance in general General Budget Support (GBS commitments);</p> <p>The PAPs and the Mozambican Government elaborate their parts of the Aide Memoir, including their evaluations and their preoccupations; A proposal on possible changes in the PAF indicators for year n+1 is drawn up and agreed on.</p> <p><b>End of May:</b></p> <p>All the donors make their firm commitments for year n+1 financing of the different areas (programme and budget support). ODAMOZ is adjusted accordingly;</p> <p>The differences in financing, resulting from Mozambican Government earlier performance, between the CFMP indications and the firm commitments are discussed in the Mozambican Government and by other interested parties.</p>
<p><b>July</b></p> <p><b>31 July</b></p>	<p>Publication on <a href="http://www.mpd.gov.mz">www.mpd.gov.mz</a>, <a href="http://www.mf.gov.mz">www.mf.gov.mz</a>, <a href="http://www.dnpo.gov.mz">www.dnpo.gov.mz</a></p> <p>Deadline for the sectors and other public organs to hand in proposals for PES to DNP, and for the State Budget to DNO</p>	
<p><b>August</b></p>		<p>Period of calm (no meetings)</p>
<p><b>September</b></p>	<p><b>15 September</b></p> <p>Deadline for MF and MPD to hand in proposals for the State Budget and PES to the Council of Ministers</p> <p><b>30 September</b></p> <p>Deadline for the Council of Ministers to submit PES and the State Budget to Parliament</p>	<p>The sectors conclude their sector PAFs with up-to-date goals for year n+1. A quick revision of the draft PES for the sector is made at sector level;</p> <ul style="list-style-type: none"> <li>- The PAPs maintain a dialogue with the MPD about the preoccupations and the ensuing issues;</li> <li>- The MPD/pillar leaders define the final PAF goals for years n+1, n+2 and n+3;</li> <li>- The PAPs present their PAF goals for year n+1 to the Mozambican Government;</li> <li>- The Government and the PAPs agree on the PAF goals for year n+1;</li> <li>- The Mozambican Government finishes PES and the State Budget for year n+1.</li> </ul>

31 December	Deadline for Parliament to approve PES and the State Budget	<p>The donors conclude and agree on the monthly calendar for their disbursements for year n+1 in coordination with the Mozambican Government Treasury Funds Flow Calendar.</p> <p><b>Middle of December – Middle of January:</b> Period of calm.</p>
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## Budget Execution

The Government is required by law to inform Parliament about budget execution within 45 days of the end of each quarter, which is done by way of the Budget Execution Reports.

The PES status statements are presented half-yearly, also within 45 days.

In accordance with the SISTAFE regulations, the audited CGEs must be presented to Parliament within 8 months. Normally the Government presents those two years after the end of the fiscal year.

## 3. Summary of the paris peclaration and accra agenda for action commitments

### The paris declaration and aid effectiveness

A number of studies have shown that the collective foreign aid has not led to development in that many countries, and in some cases it can actually be seen as a hindrance. Evidence shows that it will have negative consequences if aid is not managed effectively. In the Paris Declaration, 100 countries, including Mozambique and 30 multilateral institutions (like the World Bank and the African Development Bank) have committed themselves to follow the principles of aid effectiveness, described in a number of indicators, and achieve a number of quantitative objectives within the following areas:

1. **Application** of the development policies, measured by the existence of a national development strategy (PARPA II).
2. Reform of the national public financing systems:
  - a. Demand that the systems are improved (e-SISTAFE) by adopting international patterns.
  - b. Include the regulation and implementation of the procurement system.
3. The aid flows must be aligned with the **national priorities** defined by Mozambique, measured as the inclusion in the State Budget (**on-budget**) of official aid projects (to the Mozambican Government).
4. **Technical assistance** must be coordinated and consistent with national priorities.
5. The donors must use the **national public finance management systems**, measured as the percentage of the aid volume using the national systems (channelled through CUT).

6. The donors must use the national procurement systems, measured as the percentage of aid volume using the national systems.
7. The donors must avoid making **parallel project implementation structures**, measured as the reduction of the number of parallel structures.
8. The donors must **make aid foreseeable** by way of adhering to the commitment calendars and disbursing funds in the year that they have promised.
9. All **bilateral aid must be “un-tied”** aid.
10. The projects must be made into **programmes with a programmatic character**, that is to say, they must be headed by national organs, their budgets must be managed by national organs, they must have donor coordination processes in place and efforts must be made to use national planning, implementation, financial management, monitoring and evaluation systems.
11. Donor missions must be joint missions and not individual donor agency missions.
12. Studies and analytical work must be made together with other donors.
13. The Government must have a performance assessment framework to measure progress on the national development strategy and on sector strategies.
14. Both the Government and the partners must be accountable and account for progress made with regard to adopting the aid effectiveness principles (in the case of Mozambique, the PAPs and the Government account through the Annual Revision).

### ***The Accra Agenda for Action***

The Accra Agenda for Action recaps on the Paris Declaration commitments and emphasises performance areas and areas that had not been adequately integrated in the Paris Declaration. Applied to the case of Mozambique, the areas are the following:

### ***It is not only aid that leads to development, but also human rights, gender equality and environmental sustainability***

1. Foreign aid is not enough to develop a country. The real engine is economic growth, social progress and protection of the environment.
2. For citizens to make the most of their potential and to improve public well-being there must be gender equality, respect for human rights and environmental sustainability.

### ***There is a need for better leadership on the part of the Mozambican Government and a higher degree of involvement from Parliament and Civil Society Organisations***

1. The Government must show more leadership when it comes to the definition and implementation of the development policies, and it must do this together with Parliament and citizens.

2. It has been noted that the role of Parliament is crucial for development, and it must control the development processes (budgeting, negotiations of foreign aid).
3. The Government must facilitate Parliament control for public finance management to become more transparent, including the publishing of revenues, expenditure, procurement, budgets and audits.
4. The developing countries will work closer together with their parliaments and with local authorities on preparation, implementation and monitoring of national development policies and plans. They will also work together with civil society organisations in this respect.
5. Negotiations on foreign aid and development objectives must be in the form of open dialogue including civil society and Parliament.

### ***The fight against corruption must be a priority***

1. The Government will confront corruption by improving its investigation and legal amends. Responsibility and transparency in the use of public funds.

### ***It is necessary to increase transparency with regard to negotiations on aid and conditions***

1. The partners and the Government must make public all the conditions linked to disbursements. In the case of Mozambique, this will imply that the “political dialogue” linked to the annual review must be made public (up till now it is held behind closed doors and only afterwards information is leaked to the press).
2. The donors will regularly and timely supply the Government, Parliament and civil society with information about previsions for their expenditure.

### ***The nature of technical assistance must change in order to meet the needs and requests of the country***

1. The area of technical assistance or cooperation is in need of urgent improvement in order to eliminate the collateral negative effects and to increase effectiveness. To do this, the developing countries will systematically identify the areas, within which it is necessary to strengthen capacity to execute and provide services at all levels – national, sub-national, sector and thematic – and will come up with strategies to address this issue.
2. The support from the donors to develop capacities will be dependent on Mozambique requesting it, and will be conceived so that it will help the country to control it. To do this, the developing countries and the donors will i) jointly select and manage technical assistance; and II) promote that technical assistance use local and regional resources, including South-South cooperation.
3. Technical assistance shall not be limited to Government, but must include all development actors: The private sector, civil society and Parliament.
4. Cooperation between developing countries (South-South cooperation) must be promoted.

**The donors must increase transparency by using the national systems and global funds, and must apply the aid effectiveness principle**

1. The donors agree to use, as their first option, the national systems for support programmes aimed at supporting activities managed by the public sector.
2. The global funds must help the countries to control funds by aligning and harmonising their support in a pro-active way and make good use of structures that promote mutual responsibility, while they, at the same time, work to obtain results.

**The donors and the governments recognise the role Civil Society Organisations (CSOs) play with regard to their own development and the need for them also to take into account the aid effectiveness principles. Apart from this, they commit themselves to:**

1. Support more cooperation between national and international civil society organisations and the Government.
2. Create a favourable environment for the CSOs to work within.
3. Involve the CSOs and listen to their opinions in the international aid effectiveness forums.

#### **4. List of sources with additional information**

**1. Centro de Integridade Pública de Moçambique, Boletins (CIP Bulletins)**

*Newsletters, distributed free of charge, from the Centre for Public Integrity containing objective, brief and thorough research and analyses on issues like good governance, transparency and integrity, and with a special focus on cases of corruption. The quality of the Newsletters is unique for this type in Mozambique. Available at [www.cip.org.mz](http://www.cip.org.mz)*

**2. Foley, C. (2007). Mozambique: A Case Study in the Role of the Affected State in Humanitarian Action. HPG Working Paper. London: Overseas Development Institute (ODI).**

*This study is an excellent description of the institutional impact of humanitarian aid in Mozambique, an issue that has up till now not been mentioned in the debate on aid effectiveness (Paris, Accra, etc.) in spite of the vast sums involved. The study analyses the cooperation between the Government and the international agencies (UN agencies and international NGOs) in their humanitarian response to the 2007 flooding. The conclusion is that “there were two parallel coordination structures: the national and the international structure”. “it would have seemed more logical to integrate the coordination mechanisms into the existing structures defined in PARPA II”. “It is necessary to develop ways of transferring as much responsibility as possible to the country’s decision-makers”. Available online: [www.odi.org.uk/resources/download/2557.pdf](http://www.odi.org.uk/resources/download/2557.pdf)*

**3. Franco, A.S (2002). Manual de Programação Financeira. Maputo: Gabinete de Estudos do Ministério de Plano e Finanças, Moçambique. (Manual on Financial Programming)**

*An excellent introduction to the public accountability area in Mozambique (prior to the introduction of e-SISTAFE) and to the basic notions of financial programming that not only the Ministry of Planning and of Finance should apply, but of which civil society organisations should also have knowledge.*

**4. Goicoechea S.R. (2009). Making Aid More Predictable and Transparent Through the Use of National Treasury Systems: The Case of Mozambique's Single Treasury Account (CUT). DFID Mozambique. Draft.**

*Policy Brief ordered by DFID Mozambique in cooperation with the National Treasury Directorate and UTRESP. It explains the advantages with regard to transparency and aid effectiveness of using CUT. Aimed at showing the donors what steps they must take to channel their funds through CUT.*

**5. Hodges, T. and Tibana, R. (2005). A Economia Política do Orçamento em Moçambique. Lisboa: Principia. (The Economic Budget Policy in Mozambique)**

*Most comprehensive analysis of the budget process in Mozambique, of how little influence the legislative body and civil society have over the process, and of the collateral negative effects foreign aid can have at public finance level. See English version available online: [http://www.mae.gov.mz/061116\\_1522/Documentos/political-economy-mozambique.pdf](http://www.mae.gov.mz/061116_1522/Documentos/political-economy-mozambique.pdf)*

**6. Macuane, J.J. et al (2008). Participatory Budget Monitoring and Resource Tracking in Mozambique: A Situation Analysis and Learning Needs Assessment.**

*Study made by a team of Mozambican consultants, which analyses the capacities of the SCOs that monitor the Mozambican budget, and the context in which they do it. The main conclusion is that in spite of the legal framework apparently being open, there are no mechanisms to guarantee effective access to information. Still, real civil society and Parliament influence over the budget process is limited, even though opportunities for participation exist. Finally, the SCOs have no visions and limited capacities in the area of budget analysis and monitoring.*

**7. Oxfam America (2008) Smart Development: Why US Foreign Aid Demands Major Reform.**

*Study aimed at an American audience, but which is a good example of an explanation and application of the Paris Declaration principles, in this case of the World's biggest donor. If read selectively, this is a good introduction to the area of aid effectiveness:*

*[http://fr.oxfamamerica.org/en/newsandpublicationsARCHIVE/publications/briefing\\_papers/smart-development](http://fr.oxfamamerica.org/en/newsandpublicationsARCHIVE/publications/briefing_papers/smart-development)*

**8. PAPs e Governo de Moçambique (2009). Memorando de Entendimento sobre a Concessão de Apoio Geral ao Orçamento. Maputo. (MoU about the concession of Direct Budget Support)**

Memorandum between the G 19 (programme support partners) and the Government, which guides partnership objectives and values, basic principles, commitments, analysis and accountability, responsibilities for memorandum application, monitoring and dialogue processes, including the new annual review that has substituted the joint review, response mechanisms, disbursement processes, auditing, procurement, fighting corruption, final evaluation, conflict resolution, PAP commitments on other aid modalities, admission of members and cancelling of memberships, timeframes for implementation and duration of the Memorandum (5 years), and amendment mechanisms. The obligation to be registered in ODAMOZ only applies to general and sector budget support. The commitments about “on-CUT” do not only apply to programme support (as is already the case) and it has not been defined in quantitative terms what “use CUT more and more” implies.

Available online: [http://www.pap.org.mz/downloads/mde\\_marco\\_2009.pdf](http://www.pap.org.mz/downloads/mde_marco_2009.pdf)

**9. De Renzio, P. and Hanlon, J. (2007). Contested Sovereignty in Mozambique: The Dilemmas of Aid Dependence. Managing Aid Dependency Project GEG Working Paper 2007/25. University College Oxford.**

A study presenting the “disputed sovereignty” thesis, in which it is claimed that the way the donors act reduces Mozambique’s national sovereignty through imposing policies upon the country. This thesis is similar to what part of the political establishment in Mozambique is saying, when it criticises the dependency on foreign aid, but which is refuted by others, who are more conscious of the need to have development in the country financed. It also criticises the donor/Government partnership model saying that “its perspectives as to the donors making an impact on long term development means making concessions in the short term within the area of corruption and justice, which goes against the establishment of the necessary conditions for long term development”. Available online:

[www.globaleconomicgovernance.org/.../Derenzio%20and%20Hanlon\\_Mozambique%20paper%20rev%20120107.pdf](http://www.globaleconomicgovernance.org/.../Derenzio%20and%20Hanlon_Mozambique%20paper%20rev%20120107.pdf)

**10. Verwey, L., Durham, S., Zamisa, M. (2010). Budget 2010: Still a Rocky Road Ahead. PIMS Budget Paper 6. Cape Town: IDASA.**

The PIMS series of studies on the South African Institute for democracy analyses budget issues in order to promote informed debate and a better use of public resources. Study number 6 analyses the South African 2010 Budget from a quality point of view (realism, priorities, reducing inefficiency, increasing budget impact, public administration effectiveness) in a balanced and responsible way without intending to change the applications approved by the South African Parliament. The study concludes that “we are entering a period of strictness that will require changes in the ways the Government’s departments see their work and will require monitoring, if we want our budget applications to achieve what they were meant to achieve”. Available online: [blog-pfm.imf.org/files/budget-2010-still-a-rocky-road-ahead.pdf](http://blog-pfm.imf.org/files/budget-2010-still-a-rocky-road-ahead.pdf)

## Other websites with relevant sources:

- Publish What you Fund Campaign: <http://www.publishwhatyoufund.org/>
- International Initiative on Aid Transparency: <http://aidtransparency.net>
- International Budget Project: <http://www.internationalbudget.org/>

## 5. List of people interviewed

### Government and Parliament

1. Eneas Comiche, Chairman of the Parliament Planning and Budgeting Commission
2. Herminio Gregorio Nhaguiombe, ICAP
3. Ricardo da Costa, MEC
4. Eugênio Paulo, MF
5. Amorim Pery, MPD

### Civil Society Organisations

6. Paulo Gentil, AMODE
7. Hermenegildo Mulhovo, CESC
8. Adriano Nuvunga, CIP
9. Humberto Zaqueu, GMD
10. Ericino Salema, MISA
11. Troels Kolster, MS Moçambique

### Donors

12. Angela Abdula, DFID
13. Lotta Valtonen, Finish Aid
14. Bridget Walker Muiambo, Irish Aid
15. Helder Machango, UNICEF
16. Ondina da Barca Viera, UNIFEM
17. Nancy Fisher-Gormley, USAID

This report was written by the Informal Governance Group (GIG) and Alliance 2015 and is based on research done by the consultant, Santiago Goicoechea.

- GIG is an informal forum of international organisations working on governance and aid effectiveness in Mozambique. The group is made up by Action Aid, CAFOD, CARE, Concern, DED, HELPAGE, Helvetas, Ibis, MS, Oxfam Belgium, Oxfam Australia and Trócaire.

- Alliance 2015 is a partnership of 7 NGOs working in development: German Agro Action, ACTED, CESVI, Concern Worldwide, HIVOS, IBIS and People in Need.