

**COMPARATIVE STUDY OF THE USE AND DEVELOPMENT OF
GOVERNANCE INDICATORS IN AFRICA – THE CASE OF
MOZAMBIQUE**

Final Report

Obede Suarte Baloi
José Jaime Macuane
Carlos Shenga
Amilcar Pereira
Nobre Canhanga

Centre for Democracy and Development Studies (CEDE)

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Abbreviations and Acronyms

APRM	African Peer Review Mechanism
AR	Assembleia da República (Parliament)
BdPES	PES Progress Reports
CAJDHL	Parliamentary Committee of Constitutional Affairs, Human Rights and Legality
CSO	Civil Society Organisation
DOs	Development Observatories
DPPF	Provincial Directorates of Planning and Finance
	EC European Community
FN	APRM National Forum
MARP	<i>Mecanismo Africano de Revisão de Pares</i> (African Peer Review Mechanism)
MDGs	Millennium Development Goals
MF	Ministry of Finance
MPD	Ministry of Planning and Development
NEPAD	New Partnership for Africa's Development
	NPoA National Programme of Action
OE	Orçamento do Estado (State Budget)
PAF	Performance Appraisal Framework
PARPA	Poverty Reduction Strategy Plan
PES	Economic and Social Plan
PQG	<i>Plano Quinquenal do Governo</i> (Government Five-Year Plan)
PRE	<i>Plano de Reabilitação Económica</i> (Structural Adjustment Programme)
	PRSP – Poverty Reduction Strategy Paper
RISDP	Regional Integrated Strategic Development Plan
SISTAFE	System of State Financial Administration
	UNDP United Nations Development Programme

Note

This is a final report prepared by CEDE (Centre for Democracy and Development Studies) on a study on the use and development of governance indicators in Mozambique. The study was commissioned by Idasa as part of the Comparative Study of Governance Indicators in Africa series.

The study was carried out in April, May and beginning of June 2010 in Maputo. A team of CEDE researchers and associates undertook the study that covered a literature review, as well as the review of documents relating to a number of Government and non-governmental agencies. The main primary data was produced after face-to-face interviews with key stakeholders, including Government representatives, Members of Parliament, parliamentary staff, donors and civil society organisations. The study also benefited from the research team's extensive experience working with key institutions of governance in Mozambique.

A validation workshop was held on the 26 August 2010, and this final report benefited from the comments and observations made at the workshop as well as from the European Commission (EC), United Nations Development Programme (UNDP) and Idasa.

Executive Summary

This study aimed to research the political economy of the production and use of governance indicators in Mozambique, and focused on four major areas of governance. The study is intended to assist the UNDP and EC in their work at the country level by supporting country-led processes of producing and by providing the executive with governance indicators for use in the National Development Plan.

The research was conducted in Maputo over the three-month period – April, May and June 2010. A team of CEDE researchers and associates undertook the study that covered a literature review, as well as a review of documents drawn from a number of Government and non-governmental agencies. The main primary data was produced after face-to-face interviews with key stakeholders, including Government representatives, members of Parliament, parliamentary staff, donors and civil society organisations. The study also benefited from the research team's extensive experience and long-term work with key institutions of governance in Mozambique.

Special attention was paid to developmental issues, the Five-Year Government Plan, the working of Parliament, the preparation of APRM and the dynamics of production and use of indicators in the decentralisation process. Following is a summary of the major findings and recommendations from the four case studies.

1. Plano Quinquenal do Governo

The process of designing the PARPA II has proved to be an improvement in terms of country ownership and the participation of local actors as compared to the previous poverty reduction paper (PARPA I 2001–2005). Basically ownership of the national development strategy stems from the combination of Government leadership and the participation of civil society organisations in its design, as well as the existence of regular monitoring participatory mechanisms (the DOs).

In developing countries civil society organisations often present their qualitative assessment of progress towards poverty reduction in a critical way. However, not much attention is paid to social indicators of poverty reduction. The situation changes when it comes to the Annual Joint Review, where donors become more active and assessments are followed by discussions and negotiation with Government on performance indicators. In both instances Parliament does not participate formally.

The lack of Government ownership *vis-a-vis* the donor community probably reflects a difference in the way governance interventions are prioritised. This could be due to different levels of political will, a lack of capacity to define realistic targets, or inadequate monitoring of performance indicators.

This inadequacy may be due to the fact that these indicators have been monopolised by Government and by donors. Most of the work carried out by civil society organisations is not used for advocacy purposes and does not necessarily influence decision-making.

Ensuring ownership of governance indicators requires shifting the balance of power from a donor-Government accountability relationship to a citizenry-based accountability. In this

regard, specialisation of non-state actors in policy matters, as well as the promotion of constituency-based activism among civil society organisations can help broaden and strengthen ownership, and create a social-based demand for better performance in governance that the Government cannot just circumvent. Pressure from the citizenry can activate the political will that has been missing so far and is probably responsible for the recurrent modest performance in governance areas.

In a nutshell, the only actors with the political leverage and technical capacity to select and monitor governance indicators of national policies (among others), are the Government and donors. This poses clear legitimacy problems since other relevant actors, such as civil society and Parliament, have a very limited role.

Separating indicators and their monitoring from the dynamics of conditionality is seen as a good way of strengthening their role as sound policy instruments, rather than being elements to fuel a sometimes controversial and adversarial relation (on some issues) between Government and donors.

The growing importance of the APRM in donors' assessments is also a good trend signalling the acceptance of a more participatory and inclusive process of governance assessment, that increases local ownership and which can pave the way for the implementation of sounder policies that improve governance.

2. Parliament

In relation to the above discussion the study came to the conclusion that the Mozambique Parliament has at its disposal several crucial instruments that oversee the executive and at the same time represent the citizenry.

However a need was identified for Parliament and MPs to widen their horizon on policy oversight. The effectiveness of public policy analysis is a process that should take into account all policy documents adopted by the implementer (i.e. the executive). Basing governance oversight only on the documents (e.g. annual social and economic plan and budget) approved by the oversight institution (e.g. Assembly of the Republic) does not lead to an effective oversight and does not guarantee that policy results will be attained. In this sense, the Assembly of the Republic should develop more awareness of APRM processes and Plan of Action, PARPA, Sectoral Strategic Plans, Provincial Government Strategic Plans and District Government Strategic Plans to monitor and evaluate governance. This suggests that MPs need more training on these instruments, and that more competent and skilled parliamentary staff are required, if the legislative power is to perform its basic function.

While it is not clear whether Parliament uses information from civil society to oversee Government governance performance, secondary sources drawn from civil society indicated that information to help the Assembly of the Republic to carry out its functions had been supplied by civil society.

This study shows that International institutions such as the World Bank, Transparency International, Freedom House, Afro Barometer, and the Mo Ibrahim governance index,

were not used by the Assembly of the Republic to assess Government's performance in respect of governance.

Although these institutions could penetrate parliamentary debate at committee level through parliamentary research units, this did not happen because, as mentioned above, the Assembly of the Republic had not yet developed in its staff the necessary skills and competencies to advise Members of Parliament. Once again, this suggests that a research unit should be created, to assess information from these international institutions in order to advise the standing committees.

It is noted that the Assembly of the Republic does sometimes use international and regional conventions drawn from the United Nations, the African Union, SADC and NEPAD, once they have been ratified and adopted by the executive. These conventions help to monitor and evaluate executive governance performance.

3. APRM

The African Peer Review Mechanism (APRM) in Mozambique proved to be a participative process. But it has not yet been implemented, and consequently has not been tested.

It consists of a very ambitious review process, one that is demanding both in terms of resources and the competencies required. The APRM's data collection process mechanism is also very expensive, particularly for a country where funds for research activities, and for surveys is not considered a first priority. Most of these activities are undertaken using donor funding. According to the operational document of the APRM in Mozambique, the Government should be able to assume all responsibilities regarding the process of assessment by the end of the project period,.

The broad scope of the review process prevents the focus on well-defined aspects of governance; this limits the guidance offered to developing countries in improving the performance of their policies through dissemination of best practice.

The research institutions that contributed to the report acted independently. The process of data collection and the participation of the people in the process ensured the independence of the report. The National Forum was composed of well-respected scholars and reputable researchers. This process generated a competent, independent and impartial review of governance.

The APRM assessment mechanism is supposed to function as a continuous process., consequently the real challenge comes with the next phase: the implementation of the Action Plan and sustaining the whole process in a manner that preserves its independence.

To ensure the understanding and use of governance indicators on APRM, and an effective monitoring of the Programme of Action, a marketing strategy for dissemination has to be taken into consideration.

As stated above ensure the APRM has gone in the direction of ensuring that governance assessment does not sacrifice local ownership and becomes an important element in the policy process. Some donors' willingness to use it as part of their regular governance assessment is a positive trend, one that should be encouraged and consolidated.

4. Decentralisation

During the last years, the decentralisation indicators and targets have changed systematically. During 2005, the indicators agreed by partners and Government on the percentage of owner revenues, were transferred from central level to the municipalities. In 2006, the indicator was the set-up of criteria to select new municipalities and new management framework (national police and strategy of decentralisation). In 2007, 2008 and 2009, both partners and donors agreed that the percentage of owner revenue in relation to the annual budget per category of municipality (village, cities and capital) were to be the governance indicators. Some of these indicators (national police and strategy of decentralisation) were not achieved. Changes in these decentralisation indicators can mean some instability in the monitoring system. Efforts need to be made to maintain the stability of the decentralisation indicators over time. Experience of the process over the past few years indicates that there needs to be more collaboration between the involved partners: donors, Government and civil society. Timelines and the flux of information needs to be improved. The evaluators of indicators and targets must also analyse the impact of the indicators at municipal level.

It is also important for donors and partners to safeguard the involvement of members of Parliament and civil society organisations.

Some of the national organisation involved in the monitoring process, used to apply the international indicator to measure the improvement on several sectors. The indicators used by Government to measure decentralisation process have been followed neither by civil society nor by Parliament.

Structure of the Report

The study has eight parts. Part one is an introductory background to the political economy of the development and uses of governance indicators in Mozambique; part two presents the objectives followed by the outline of the research methodology in part three; parts four through seven constitute the centrepiece of the study, and depict the four case studies; and part eight presents the main conclusions and recommendations.

I. INTRODUCTION

Independent from Portuguese rule since 1975, Mozambique has enjoyed a complex history of war and peace, crisis and economic recovery, including a 'socialist' experiment, before embracing the virtues of the market economy since the second half of the 1980s. Emerging in 1992 from a long and destructive civil war, Mozambique, which had become one of the poorest countries in the world, experienced a very high growth rate and noteworthy political stability. Today, it is regarded as a success story by donors.

The collapse of the socialist experiment, initiated after independence, and the negotiated end of the 16 years unremittingly violent civil war paved the way for a 'new beginning', and the country embarked on a programme of economic and political reform with support from the International Monetary Fund, the World Bank and several Western donors. These reforms included the liberalisation of the economy and the development, and approval, of a new multi-party constitution, adopted in 1990.

Following the economic and political liberalisation of Mozambique, two structural adjustment programmes were introduced: the PARPA (*Plano de Acção para a Redução da Pobreza Absoluta*), formally approved in 2001 and implemented up until 2005 and the ongoing PARPA II, which was implemented in 2006.

So far as development issues are concerned, the use of governance indicators in recent years is marked by the dynamics of dependency, the dominance of the ruling party and the growing but still very weak civil society.

Aid dependency

Despite Government's recent efforts to increase domestic revenue, Mozambique's economy continues to be dependent on foreign aid, with a spike following the introduction of PRE in 1987 onwards (Renzio & Hanlon 2007). According to data cited by Renzio and Hanlon (2007:7f), the Official Development Assistance (ODA) oscillated between 20% and 30% of Gross National Income between 2000 and 2004. In recent years, donor aid contributes about 50 % of the recurrent budget.

The dynamics of aid dependency has been built since the mid 1980s, as a result of the emergency situation created by the combined effects of the war and a severe regional draught (...) Twenty years later, the economy has grown and peace has been consolidated, and aid dependency has penetrated into (?) every pore of the social, economic and political sphere. (Castel-Branco 2008:13)

Several authors (see for example, Macamo 2006; Hodges and Tibana 2005; De Renzio and Hanlon 2007) have characterised the nature of Mozambique's condition as a highly dependent country, with implications far beyond the economic sphere, from business to politics.

Citing several studies Mozambican economist Carlos Castel-Branco sums it up in this manner:

The weakness and fragmentation of public institutions and policies are also the result of aid dependency, donor interference and preference for a weaker and fragmented state and the combination of interests of large foreign investors and speculative domestic capitalists linked with the political establishment. Hence, public policy tends to be defensive and highly responsive, in a non-strategic manner, to pressure from donors, lenders and the private sector, and its coherence and effectiveness depends, to a high degree, on the coherence and organisation of the pressure group – donors or the industry. (Castel-Branco 2008:14)

In such a context, policy formulation and implementation are strongly shaped by the imbalances of donor-Government power relations, embodied in the Programme Aid Partnership, which ties donor funding to the assessment of the governance performance in key policy areas drawn from the PARPA.

‘Predominant state party’

Frelimo, the former liberation movement that led the country to independence and controlled the Government thereafter, and Renamo, the former guerrilla movement that gradually transformed itself into a political party, polarised almost all political debate following the end of Portuguese rule. The long civil war helped to build the political landscape of the years following the formal establishment of political pluralism (Brito 1995). Although almost all seats in Parliament were divided among these two parties, Frelimo’s dominance was evident. In fact, Frelimo won successively all the four general elections held so far (1994, 1999, 2004 and 2009). It won the municipal elections in 1998, when the opposition opted for boycott and the electorate hardly turned out to vote, and in 2008 it secured victory in all municipalities except one, the Municipality of Beira, won by an independent candidate (a former member of Renamo. Thus, the number of municipalities controlled by the opposition since the 2004 elections was drastically reduced from five to just one.

Although the fairness of these elections has been the subject of controversy, most observers accord Mozambique a measure of progress in democratic consolidation.

Armando Guebuza’s re-election as President in 2009 with a overwhelming majority cemented Frelimo’s control over the country. The main opposition, Renamo, saw its political influence slump further in this election. Renamo’s share of representation in the 250-seat legislature (Assembly of the Republic) fell from 117 to 90 in 2004 and then to 51 in 2009. Frelimo increased its share from 133 to 160, in 2004, and then to 191 in 2009, reaching the two-thirds threshold required to change the constitution. The continued electoral gains of Frelimo has led many observers to observe that Mozambique displays a ‘predominant party’ system.

Weak Civil Society

Despite the growth in the number of civil society organisations after the enactment of the associations law in 1991 (Law 8/91), civil society in Mozambique is still weak. A recent study (FDC, 2008, see also Francisco, 2010) came to the conclusion that civil society organisations are weak in internal management and democratic governance, are not self-sufficient in funding and tend to rely more on donors funds than on their member’s

contributions. They are also ineffective in empowering people, in representing citizens, interests and in addressing their needs. The study also shows that civil society organisations are not transparent with respect to the state and private sector. Thus, assessing the impact of CSOs the study concludes that:

The main obstacles to more efficient and effective action by CSOs can be seen in the sub-dimensions on holding the state and corporations accountable, weak empowerment of the citizen and weak CSO advocacy and lobbying capacity. As public confidence is weak CSOs end up having an extremely limited role in promoting the growth of social capital at grassroots, community and district level. In practice CSOs contribute little to promoting the social capital of the Mozambican population (FDC, 2008:98).

To be sure, there are niches of activism in Mozambique civil society. Windows of opportunity for participation do exist and they are being taken up by CSOs; be it at the central level with channels such as the electoral process, particularly the membership of the electoral commission, the development observatories,¹ or at the local level, through institutions of community consultation. There are also examples of proactive CSOs, who have made significant contributions to the promotion of governance and accountability. The National Peasants Union, in land and rural development issues, the Human Rights League, the Centre of Public Integrity, and in anti-corruption issues. These are notable examples with public visibility. Nonetheless, the point being made by several authors (see, e.g., Hodges & Tibana, 2005; Macamo 2006; Francisco 2010) is that such remarkable advances pertain to some CSOs, but do not indicate an active civil society as yet.

The media has thrived after the 1990 constitution and the adoption of the press law in 1991. The independent media is vibrant and provides an alternative source of information from state media and also serves as a watchdog over Government performance. However, its very limited presence beyond the major provincial capitals, coupled with financial, managerial and political constraints make, it less effective than it could be.

¹ For where Government receives representations from civil society organisations regarding the implementation of poverty reduction plans.

II. OBJECTIVES OF THE STUDY

This study seeks to research the political economy of the production and the use of governance indicators in Mozambique, by focusing on four major areas of governance. The outcome of the study will assist the UNDP and EC in their work at the country level in supporting country-led processes of producing and using governance indicators by the executive in the National Development Plan. The four areas selected for study are:

1. **National Development Plan** (Five-Year Government Plan). This study looks more specifically at the use of governance indicators by the Executive in the National Development. This component will look at the National Development Plan as its starting point, and address four aspects: (i) ownership of the National Development Plan process, (ii) the institutional frameworks for monitoring (iii) the strengths and weaknesses of the indicators on governance used in the National Development Plan, and (iv) integration of other relevant governance assessment instruments in the M & E of the National Development Plan.
2. **Parliament**. The study focuses on two interwoven and critical dimensions of the role of Parliament: oversight and representation. Parliament's role in monitoring governance performance presupposes an active interaction with civil society. Given the rotational nature of parliamentary seats, with MPs serving specific terms, the study will particularly seek to understand the role parliamentary staff play in ensuring that institutional memory is captured and that the capacity of parliamentary committees to carry out their functions is enhanced.
3. **APRM**. Mozambique has just concluded a first cycle of APRM. This case study will analyse both the nature of participation by a broad range of stakeholders with a particular emphasis on the sections involving the self-assessment of political governance issues, and the evidence that different stakeholders are using to conduct their assessment. The study will also investigate the interface between PARPA (the poverty reduction strategy) and the Agenda 2025.
4. **Decentralisation**. This component consists of an investigation of the progress of decentralisation. While devolution of political power through decentralised authority to municipalities has proven popular and appears to offer a workable mechanism for strengthening democratic participation, its pace has proved slow and a matter of considerable dispute. The study tries to understand this development and consequently focuses on the process of production of indicators and the actors involved.

III. METHODOLOGY

This report is a result of a short research project carried out on the production and uses of governance indicators in Mozambique. It consists of a literature review, including the review of a variety of Government and non-governmental documents, and interviews with Government officials, Members of Parliament, representatives of civil society organisations and of donors. The fieldwork took place in Maputo, capital city of Mozambique, during the months of April, May and part of June 2010.

The study also benefited from long-term observations of the research team's own experience of research and well as work with key institutions of governance in Mozambique, such as Parliament and the Technical Unit for Public Sector reform. This element may have helped to circumscribe the time constraints under which the study was carried out.

A validation workshop was held on the 26 August 2010, bringing together relevant stakeholders whose comments and discussions helped to shape the final drafting of this report.

The Mozambique study was undertaken by a CEDE team composed of Obede Baloi (coordinator), José Jaime Macuane (PQG case study),² Carlos Shenga (Parliament Case Study), Amilcar Pereira (APRM Case Study) and Nobre Canhanga (Decentralisation Case Study).

The definition of the case studies was drawn up after a scoping mission undertaken by IDASA that had consulted with relevant players in related governance arenas and had discussed the issue with potential partners.

Given that some of the studies were to be replicated in other countries under study, a similar set of key questions was used in the selected countries of this study to make comparisons between different countries feasible.

The selected case studies constitute interwoven fields of governance processes, with different histories and levels of development in the engagement with, and use of, development indicators. Thus, the study tries to reflect this diverse world of use and development of governance in Mozambique. Two selected case studies – on Parliament and the APRM focus on policy processes. The component on Decentralisation discusses in detail the specific indicators as they were defined. The component on the National Development Plan, given its integrative nature, combined the discussion of processes with in-depth analyses of specific issues and concrete indicators.

² With assistance from Amélia Maduela and Lénio Mendonça.

IV. GOVERNANCE INDICATORS IN NATIONAL DEVELOPMENT PLANS: THE MOZAMBIQUE PLANO QUINQUENAL DO GOVERNO AND PARPA

Introduction

Defining a national development plan for Mozambique is not straightforward, much depends on the perspective adopted, and an analysis of the country's planning process.

The Mozambican planning cycle overlaps with the political cycle, since it is based on the electoral manifesto of the winning party in the general elections for a presidential and a legislative five-year mandate. The winning party thus has the prerogative of presenting the Five-Year Government Programme. The preparation of this programme follows a methodology that formally implies the inclusion of the country's long-term strategic plan, the so-called 'Agenda 2025'. It also takes into account the country commitments at the international level with implication on its policies and programmes, such as the Millennium Development Goals (MDGs), the Regional Integrated Strategic Development Plan (RISDP) of the Southern Africa Development Coordination (SADC), and the New Partnership for Africa Development (NEPAD), with particular emphasis on the African Peer Review Mechanism (APRM).

After its approval by Parliament, the Five-Year Government Programme (whose Portuguese acronym is PQG) becomes the foundation for other mid-term – such as specific strategies, territorial (Provincial and District) sector strategic plans – and short-term (operational) planning instruments, namely the Economic and Social Plan (PES) and the State Budget. The PRSP (PARPA II 2006--2009) is among the mid-term specific strategies stemming from the PQG, it focus on poverty reduction issues and also informs the elaboration of the PES and the state budget. PARPA II includes the Governance Pillar, which unfolds into the following main areas: decentralisation, public sector reform, justice sector and public security/order, and anti-corruption. The Mid-Term Fiscal Framework (MTEF), a three-year rolling instrument indicating expected revenue and expenditure This framework, which is updated annually, informs the preparation of the Annual State Budget. Recently the Government introduced programme budgeting, which only covers investment expenditures. This has been a step forward for monitoring, since this approach allows for a multi-annual costing of interlinked activities, and consequently provided a more integrated vision of Government programmes.

The existence of this set of instruments *per se* does not mean the existence of a coherent development strategy. Rather, what exists is a set of broad/national, local level (provinces and districts) and sectorial strategic and operational plans, which to some extent are aimed at tackling development problems but not always in a coherent way. This constitutes an obvious limitation to the analysis proposed in this chapter, which will use the development strategies of the PQG and the PARPA³ as proxies.

1. Ownership of the National Development Plan Process

PQG is a wide-ranging political document operationalise d through specific strategies and the PES. Among the strategies stemming from the PQG, the poverty reduction strategy (PARPA), despite its relatively narrow temporal horizon (currently only 4 years, from 2006 to 2009/10), can be considered the *de facto* national development strategy, because it

³ Acknowledging this weakness, the Government, through the Ministry of Planning and Development, recently created a group of academics and consultants to elaborate on a proposal for a National Development Strategy.

embodies the main set of policy priorities. It also informs the terms of reference between donors and Government, since the monitoring of its main intervention is the principal input for decisions on general budget support. This topic will be discussed in more detail.

The process of designing the PARPA II signals an improvement in terms of country ownership and participation of local actors, in comparison to the previous poverty reduction paper (PARPA I 2001-2205). PARPA I faced a lot of criticism, amongst them the fact that it was a stand-alone programme running in parallel with the PQG, and it was marked by a lack of participation from non-governmental actors in its design and monitoring. The criticism to PARPA I led to the establishment of poverty observatories, later called Development Observatories (DOs), which are forums where Government discusses with representation of civil society organisations the implementation process of PARPA. Development observatories are also represented in the provinces and their sessions are chaired by the provincial Governor.

Ownership of the national development strategy stems from the combination of Government leadership and the participation of civil society organisations in its design, as well as the existence of regular monitoring participatory mechanisms (the DOs). Another innovation of the PARPA II was its revenue stream, although it is not used as a tool for operational budgeting. This role is played by the MTEF.

However, although the MTEF is increasingly being used as the main mid-term tool for budget planning, its use is not binding, since formally it has lower status than ordinary annual budgets, which are approved through a law enacted by Parliament. The MTEF is also frequently by-passed in the normal decision-making process, because the Government's implications on plans and budget is directly included in the proposals that are submitted to Parliament without necessarily being confronted with what had been previously planned in the MTEF. Basically, this means that the flow of information from decision bodies, such as the Council of Ministers, to the technical units responsible for preparing and disseminating the MTEF is deficient. Consequently, there is not a good match between the annual budget and the MTEF, although it is increasingly being used as a planning instrument.

This gives rise for concern in the area of governance. A study carried out by the Centre of Public Integrity (2008) revealed that there are mismatches between the PES, the annual budget and the MTEF. Budget allocation to key governance areas also tends to be concentrated at the central level, despite the political rhetoric about decentralisation and the steps taken forward in de-concentration and in promoting local participation in planning and budgeting.

There is no consolidated monitoring and evaluation system in Mozambique (USEC, 2008), but formally a set of three basic mechanisms can be identified:

- **Monitoring of processes and results** – consists of quarterly, bi-annual and annual PES progress reports, prepared by sector planning/economy directorates and provincial units responsible for planning. This information is consolidated by the directorates of planning and finance (DPPF) at the provincial level, and by the National Directorate of Planning in the Ministry of Planning and Development (MPD). In this process, only output/execution indicators are used, basically describing what has been the outcome of the activities implemented.

- **Budget monitoring** – this process has two key moments: programming and execution, comprising the analysis of budget proposals and the analysis of expenditure.
- **Impact evaluation** – it is carried out through econometric (quantitative) and socio-anthropologic (qualitative) analyses, which are combined in the production of the Impact Evaluation Report (RAI). This process includes a participation component through the Development Observatories, Local Councils and Annual Joint Reviews.

The rationale is that these mechanisms are complementary and feed into the planning process. However, Government's current monitoring tools are mainly the PES Progress Reports (Balanço do PES-BdPES) and the Budget Execution Report (REO).

Table 1 below, presents updated information of the main features of PARPA II taken from a World Bank survey and study in 2003.

Table 1: PARPA II Main Features from a Planning and M & E Perspective

Country	NDP costed	NDP linked to budget	NDP linked to MTEF	Cabinet approves NDP priorities	Special unit set up to manage preparation /implementation of NDP	M & E date is collected and presented regularly	Cabinet reviews progress in implementation of NDP	Unit location
Mozambique	Y	Y	Y	Y	Y	Y	Y	National Planning

Government and donors are also involved in an annual exercise of monitoring country performance in fighting poverty. Called the Annual Review, this document informs development partner's General Budget Support. A set of indicators drawn from the PARPA includes the Performance Appraisal Framework (PAF). This monitoring matrix is used to assess Government performance in key policy areas. Civil society is invited to participate in the Annual Reviews, although its contribution has been modest. Information for monitoring is provided by different sectors and is globalised by the Ministry of Planning and Development (MPD).

In development observatories (DOs) civil society organisations present their qualitative assessment of progress in poverty reduction, often in a critical way. Debates at the development observatories' sessions do not involve discussions on the PARPA indicators and consequently civil society organisations do not present relevant revisions of the existing indicators. Moreover, the monitoring process carried out in the DOs is rarely used as feedback for the policy process (Muendane, 2008). The situation changes when it comes to the Annual Joint Review, where donors are more active and normally assessments are followed by discussions and negotiation with Government on performance indicators. In both mechanisms Parliament does not participate formally.

Despite the existing donor-Government dialogue (mechanisms that are supposed to ensure alignment with national programmes and policies), some interviewees pointed out that Government ownership is a major problem in the definition of governance indicators. This especially the case regarding the monitoring carried out in the annual review, which is seen

as more in line with the interest of donors than those of the Government or civil society organisations. However, the dynamics and essence of ownership seem to be more complex than that, since in principle governance indicators included in the PAF are negotiated between donors and Government on an on-going basis. The main problems are associated with the level of prioritisation accorded governance interventions by both Government and donors. This could be due to different levels of political will, or lack of capacity to define realistic targets, adequate indicators, and to properly monitor them. This can be inferred from the modest performance in governance that has been alluded to in successive Annual Review Aide Memoires,⁴ and which might be a signal that Government and donors have different perspectives on this issue. Both actors may agree in the need to address governance issues, but not necessarily on the urgency or the approach to do so.

Most interviewees acknowledge that although PARPA II was designed and is being monitored in a relatively participatory manner, the definition (actually revision) of indicators has been mainly monopolised by Government and donors. However, despite some reluctance in acknowledging that governance indicators are monitored as part of a set of conditionalities that influence development aid, this factor can lead to a definition of unrealistic targets, poor monitoring or even non-prioritisation of some areas by the Government. Evidence of this are found in the recurrent poor performance in governance indicators as documented in the Annual review processes. Absence of civil society in the process is seen as resulting from its weak capacity to embark on a dialogue that is often very technical, stemming from lack of specialisation in specific policy areas, or even from their voluntary lack of participation. Moreover, most of the work carried out by civil society organisations is not used for advocacy purposes and does not necessarily influence decision-making. This can be a consequence of a weak or absent linkage between these organisations and their constituencies (see FDC, 2008 and MASC, 2008). The way civil society representatives are chosen to participate in the DOs and in the annual review is also contested (Francisco and Matter, 2007; Muendane, 2008).

Broadening ownership implies attacking the causes underlying the persistent poor performance in governance areas, as well as the amorphous participation of civil society in the process. Separating the process of revision of indicators from the conditionalities inherent to the General Budget Support process seems to be out of question in the current situation of Government-donor relations in Mozambique, where the most profound disagreement about the implementation of the poverty reduction strategy has been in the governance area. However, this seems to be the most plausible cause for poor performance, stemming from weak political will, different perspectives on priorities and probably less concern in properly monitoring the indicators involved or providing/disclosing information for this purpose. Since the existing mechanisms (ODs and annual reviews) in civil society organisations are in principle participative, broadening ownership has to do with strengthening the capacities of non-state actors, and encouraging them to be more proactive in the process, and to link their work to clear social demands and constituencies. At the very least, civil society organisations should strive to provide an informed advocacy; one that can influence decision-making.

1.1. Recommendations

Ensuring ownership of governance policies embodied in the national development plans hinges on the existence of genuine political will, combined with appropriate technical capacity. This can be achieved by shifting the balance of power from a mere donor-Government accountability relationship to a process driven by a citizenry-based

⁴ See www.papg.org.mz

accountability demand. In this regard, specialisation of non-state actors in policy areas and also promoting a policy and constituency-based activism among civil society organisations can help to broaden and strengthen ownership, and also create some social-based demand for better performance in governance that the Government cannot just circumvent. Pressure from the citizenry can activate the political will that has been missing so far and is probably responsible for the recurrent modest performance in governance areas.

2. The institutional frameworks for monitoring

The institutional setting of the monitoring system comprises the legislative branch (Assembleia da República), at the top, due to its executive oversight role; the Council of Ministers; the Economic Council – CE (an inter-ministerial subcommittee of the Council of Ministers); the Development Observatories; the sector and agency monitoring units, as well as academic institutions and NGOs.

There are three coordination levels: Firstly these comprise a structural and more-or-less permanent coordination that focuses on the processes followed and outputs which are monitoring by line ministries through their Planning/Economy directorates; coordination provided by the Provincial Directorates of Planning and Finance (DPPF) at the provincial level; and lastly through the Ministries of Planning and Development (MPD), as well as the Ministry of Finance (MF). Secondly, so far as governance areas are concerned, the ministries of Public Service (public sector reform); State Administration (Decentralisation), Justice (justice sector); Interior (public order) and the Attorney General Office (anti-corruption), play a central role. Thirdly, a periodic impact assessment, dealing mainly with monitoring is done through the National Statistics Institute (INE) and MPD/MF.

2.1. Actors Involved in Monitoring

It is therefore clear that governmental sectors play a major role in monitoring their own progress in so far as monitoring of governance is concerned. Civil society organisations and development partners/donors are also instrumental, but to a lesser degree.

Because of the participatory methods used by NGOs and civil society organisations and their development partners/donors, they can be said to play a role in assessing governance issues. However, the role of each actor depends on the mechanism. For example, donors and civil societies participate in annual reviews and in development observatories, but donors play a bigger role in the former, whilst civil society is formally more important in the latter.

2.2. Flow of Information

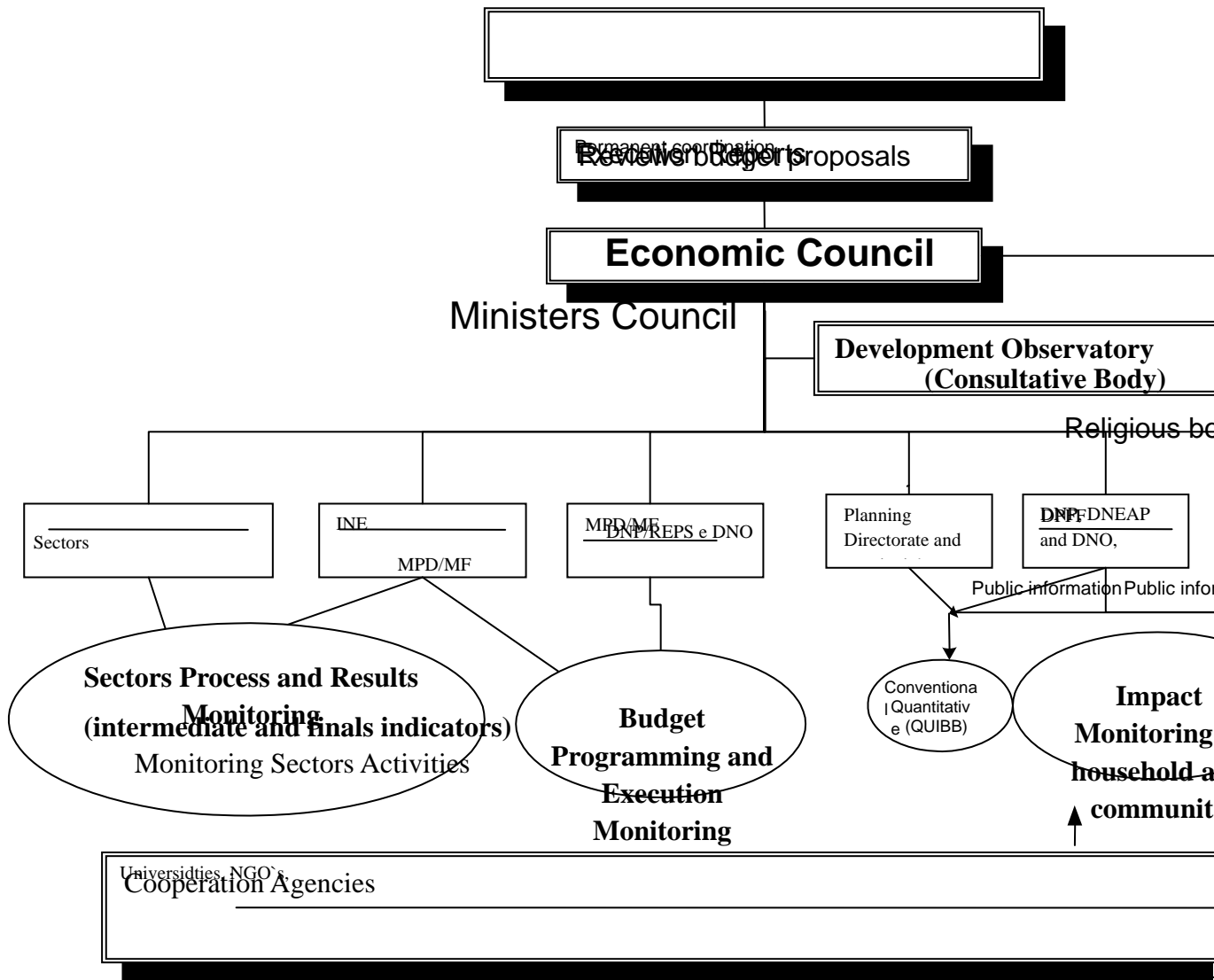
The flow of information varies according to the mechanism and level of coordination used in the monitoring. The budget and process/result monitoring tends to be carried out within the sectors through which progress reports and budgets are considered. This typically involves the directorates of planning/economy, the provincial directorates, the MPD, MF and Planning and Finance Provincial directorates. On the other hand, impact is assessed through qualitative studies on specific policies and quantitative data gathered through specific surveys, such as QUIBB (Basic Well-Being Indicators Survey), IOF (Households' Budget Survey) and the population census.

At the level of permanent coordination, each sectorial department responsible for the implementation of its plan provides information about planning and budgetary constraints. At the provincial level each directorate, through specific internal units, analyses and

consolidates the information sending it to the local Directorate of Planning and Finance, which produces the provincial PES progress report as well as the budget execution report, within the timeframe defined in the planning cycle.

In the same process, at the level of periodic coordination, INE carries out surveys that are delivered to the main Government bodies (MPD/MF/CE) for decision-making purposes and for general public consumption.

The chart below shows the organisational chart and the main monitoring processes.



Source: Government of Mozambique (MPD) PP Presentation on the M & E Institutional Model.

Basically there are three main M & E systems: the monitoring of the PES or *Balanço do PES* (BdPES); the parallel monitoring of the PARPA, under the Ministry of Planning and Development and specific monitoring of sector strategic plans (USEC, 2008). An additional monitoring sub-system, which is a sub-part of the PARPA, is the PAF already mentioned. These broad systems are supported by sector and provincial M & E systems, without a

normative and methodological framework to set minimum standards. Consequently the existing systems tend to privilege monitoring (and pay less attention to evaluation), because of its importance in feeding into the annual planning process and definition of annual objectives and targets. Provincial M & E systems that revolve around the PES differ among the provinces and use different methodological approaches and indicators. These hinder the building of an integrated and coherent national monitoring system (USEC, 2008).

There are many complaints about the current system. Sectors claim that their performance is not accurately captured in the existing instruments and that budget allocations do not reflect the costs of the policies they are supposed to implement. Provinces complain about working conditions and a lack of resources to do their job properly. Sectors at the central level and provinces claim that deadlines are very tight and that there is an insufficient follow up of the processes from the Ministry of Planning and Development, lack of resources to build M & E structures, lack of clarification on the methodologies to be employed, no policies to recruit and retain skilled people, and finally, a lack of transparency across the different sectors). The participative monitoring, mainly at the local level is new and consequently still incipient. Sectors at the local level tend to prepare plans based on the priorities defined in the local councils at the district, administrative posts and lower levels. However, participatory M & E is still at the beginning, despite a growing interest and involvement of local actors in monitoring Strategic Development plans and annual plans and budgets (USEC, 2008).

The various monitoring instruments are actually complementary, in the sense that BdPES provides information for PARPA monitoring, which is complemented with other information. The monitoring of indicators under the PAF is more intense and tends to have more sources of information, since the results of the performance have implications on donors' budget allocations and consequently on policy priorities. It is probably in the PAF that the concern in monitoring governance is higher and more integrated. The governance pillar is monitored through a system comprising the following actors:

- i) the key sectors (mentioned above) – that are responsible for reporting on the planned activities;
- ii) the working groups, such as decentralisation, public sector reform and justice, which comprise donors, Government representatives, and occasionally civil society organisations. Based on the information of the sectors, these groups are responsible for monitoring progress in their specific areas, taking into account the respective indicators;
- iii) Governance group – the governance group is chaired by a representative of the Government (currently the General Administrative Inspector) and is composed of key sectors, donors and civil society representatives. This group produces the final performance assessment report of the overall governance area, based on the analysis of specific sectors carried out by the working groups.

All of these processes feed into a final assessment of Government by all relevant stakeholders participating in the review. The review presents recommendations on areas needing more Government attention; these may include defining new policies or changing the course of already existing policies. Moreover, the review also influences the level of funding of Government programmes, because donors involved in general budget support define their commitments to support the state on the basis of Government performance, as measured through the PAF.

Therefore, the general M & E system has a considerable influence on the definition of annual objectives and targets. Consequently, it is an important instrument which shapes operational plans. Lack of an integrated and harmonised M & E system across the sectors and linking the central and local Governments reduces the possibilities of this exercise influencing broader policy objectives at the national level. Parallel M & E systems such as PARPAs, due to their level of specialty, tend to inform policy decisions in their areas of focus. The decisions stemming from the annual reviews are a good example of this. Moreover, annual reviews also influence the political dialogue between donors and Government, which is a regular process included in the General Budget Support Memorandum of Understanding. This explicit linkage between an M & E exercise does not exist in other processes and the regular monitoring of the BdPES by Parliament does not necessarily lead to new policies, due to the chronic weakness of the legislature in policy-making initiative.

Lack of a national monitoring and evaluation system is an obstacle to informed decision-making on policy choices. Integration of the existing systems at all levels, through the setting up of harmonised methodologies, standardised type and content of information and establishment of a normative framework, are very important steps to strengthen the role of the M & E system in policy-making. Recently the Government created the National Directorate of Monitoring in the Ministry of Planning and Development, whose capacity is still being established. This seems to be a step in the right direction, but the effectiveness of this measure will depend on how the system is unfolded into strong sector and territorial units, with the necessary capacities to carry out properly monitoring and evaluation, and how relevant this exercise is to the decision-making. For this to happen, the information produced must also be relevant, and this depends on the quality of indicators. This is the subject of the next section.

3. The strengths and weaknesses of the indicators on governance used in the National Development Plan

3.1. Quality of indicators

There is the tendency towards designing monitoring processes with narrow sector-based indicators and no indicators at the intermediate level. This is the case of the anti-corruption action plan (ACS, 2009). Some indicators are also based on events and less on content. For example, in the PARPA II matrix, under the Poverty Analysis and Monitoring systems component, the indicator reads: 'carry out at least one Provincial Poverty Observatory in each province'. The target indicated in this indicator has been generally achieved, but it does not prevent the participatory monitoring component of the PARPA II from having weaknesses; among these is a lack of effectiveness of these exercises at the policy level. The same is applicable to the area of public sector reform, more precisely the implementation of decentralised planning and finance strategies, whose indicator is the 'Percentage of operational District Consultative Councils (which must have at least 3 meetings per year) which are accountable to Government'. In this case, meetings are not the core question, but the quality of participation by local stakeholders and the impact of these councils on the accountability and sustainability of the process (e.g. working conditions) have been among the main weaknesses. These are examples of some of the static indicators that do not capture the dynamics underlying these participatory mechanisms, and which end up undermining their effectiveness as sound accountability mechanisms and enablers of good governance. In the case of these two examples, there have been diverging positions with regard to the effectiveness of these two participatory forums: some (mainly the Government) view them as effective mechanisms for the promotion of citizens' participation, while others see them as ineffective, prone to

manipulation by Government, and with limited impact on decision-making and the implementation of national development policies. This dispute, to some extent, led to the revision of the functioning of these mechanisms, which resulted in the introduction of guidelines for the Development Observatories and local councils, as well as an increasing concern about the improvement of the working conditions of the latter.

Some governance indicators relate more appropriately to a specific sector, than to a governance policy area. For example, a set of indicators selected for the PAF to assess progress in the fight against corruption were too vague (such as the number of corruption cases reported, those under investigation, and those arrested and tried) and their contribution to an objective assessment of the progress in this area is difficult to foresee (see Table 2 below). The Anti-Corruption National Action Plan has a set of indicators measuring sector activities, but it does not include indicators that can allow for the measurement of the anti-corruption strategy objectives, which makes a strategic assessment of the implementation more difficult. In other words, it does not allow for the establishment of a linkage between separate activities and overall objectives (ACS, 2009).

Apart from these examples, regular planning tools such as the PES consist of a list of activities to be implemented, but they do not provide a set of indicators which are objectively measurable. This pattern is repeated in progress reports (BdPES), which makes an objective assessment of progress in the achievement of strategic goals very difficult. The mid-term report on the implementation of the Five-year Programme (see República de Moçambique, 2009) does not solve this problem either, since it is a very broad document without an objective and evidence-based appraisal of progress.

3.2. *Strengths and weaknesses of sources for governance indicators*

Sources of data for governance monitoring are normally the line ministries and the provincial sectors, as mentioned earlier. Lately some civil society organisations (CIP, 2009; AMODE *et al.*, 2008) have been involved in governance monitoring, although generally the capacity of these actors in this regard is still weak (MASC, 2008). Interesting aspects have come out from the involvement of CSOs. For example, a report on the monitoring of the implementation of the anti-corruption strategy revealed that some activities that have been implemented are not included in Government reports. This is in line with what was mentioned before, that sectors complain about deficiencies in the inclusion of their achievements in Government reports. But there is the opposite: some activities that are considered implemented were not actually implemented. The existing system does not have the necessary conditions to confirm or audit the physical progress of most Government activities. Therefore, reporting is based on 'good faith', and in line with PES and BdPES, it is only activity/output-based. Issues of quality and effectiveness remain almost untapped. Only civil society organisations try to use their networks to produce qualitative analysis of Government policies, but this information is not used to discuss the quality of the indicators; rather, the focus has been mainly on analysing the quality of the output (interviews).

Some governance indicators involve more than one sector. For example, justice sector indicators may involve even different state branches (the Executive and the Judiciary), and institutional barriers and arguments about the independence of the state powers can render monitoring difficult. The justice sector has been pointed out has a particularly difficult sector to work with. However, recently the sector has approved an Integrated Strategic Plan and is setting up an integrated monitoring system, which is a step forward (see table 2). Coordination mechanisms were also created, first formally, through a body comprising the Ministry of Justice, the Attorney General Office, the Supreme Court and the Administrative

Tribunal, but it was considered unconstitutional and was dissolved. Currently coordination is done through the Ministry of Justice, which is also coordinating the monitoring process. Other governance areas, such as decentralisation and anti-corruption still lack an integrated and consolidated monitoring approach, and face difficulties in combining the necessary sources of information to have a clear picture of their performance. For example, activities implemented in areas such as public works, financial management, planning are not necessarily monitored in combination with strict political and administrative processes, such as deconcentration, participation and functioning of local participatory bodies to provide a clear picture of the trends of the process and the impact of the various measures taken in this area. Anti-Corruption, which involves multiple stakeholders and all the state branches, has indicators only focusing on the judiciary/punitive component of the process, and overlook other elements, even monitored in other areas of the PARPA.

From the positive side there are good examples in the country of combination of multiple sources of information for a more effective monitoring of progress in some areas. An example of integrated monitoring has been the public financial management, which involves information on performance of the executive, Parliament and the judiciary (mainly the Administrative Court). This area has particularly benefited from the Public Expenditure and Financial Accountability (PEFA) reports. So far, three PEFAs have been carried out in the country, showing a considerable improvement in areas such as parliamentary oversight, Government reporting and external control (Scanteam, 2004; Lawson *et al.*, 2006; Lawson *et al.*, 2008). These improvements are mainly credited to reforms in public financial management, particularly the establishment of the System of State Financial Administration (SISTAFE), which *per se* contributed to an improvement in the quality and availability of information on public expenditures. PEFA is now part of the ordinary monitoring of the public financial management system. Through its integration of many sources of information and its ability to analyse performance, it contributes to further improvements in this area. The justice sector also carried out a similar initiative, a value for money audit, which has provided a more integrated vision about this sector.

3.3. *Legitimacy and participation in the process of selecting indicators and monitoring*

Selection of governance indicators included in the Poverty Reduction Strategy was formally a participative process, since it was part of the design of the PARPA II. This does not mean necessarily that the process was not fraught with legitimacy problems. For example, lack of participation of Parliament in this process, which informs the PES priorities that are submitted to Parliament for approval, could be seen as a legitimacy problem. Civil society participation in the process does not solve legitimacy problems either, because there are also questions regarding the representativeness of the organisations participating in the Development Observatories (Francisco & Matter, 2007; Muendane, 2008).

At the local level, participation of communities in the local councils is growing, but there are also allegations of excessive party influence in the selection of its members (Forquilha, 2009). Moreover, at this stage it is not realistic to expect local council members to have the sophistication to design sound indicators and monitor them. Rather, there are events of participative monitoring, but the results are not sufficiently well structured to be integrated in the national monitoring systems.

Legitimacy problems in the selection of indicators have already been discussed and can be considered an aspect of solutions to these problems. However, these problems cannot be seen separately from broader processes occurring in the political system. For example,

looking at the level of electoral participation in the last two general elections, which ranged from approximately 30% to less than 45%, one could argue about the legitimacy of the political regime. It is reasonable to acknowledge, however, that the existence of the opportunity for the various stakeholders to participate (even if they chose not to use this opportunity – which is sometimes the case), does provide a minimum level of legitimacy to the process. The process is also, to some extent) being incrementally improved. A good example of this is the recent approval of the Operational Guidelines for the Development Observatories, which seeks to solve the problem relating to ineffective popular participation in policy design, implementation and monitoring.

In short, the only actors currently with sufficient political leverage and technical capacity to select and monitor governance indicators are the Government and donors. This is documented in many studies, and was the position of most interviewees in this study. One of the problems raised is that the balance of power between donors and Government, combined with their sometimes diverging positions on governance issues, can shed doubts on what the main objective is in the selection of indicators: is it to stimulate reforms, or to assess the performance of a specific area or sector, or simply to provide elements for conditionalities. This poses clear legitimacy problems, since other relevant actors, such as civil society and even Parliament, have a very limited role. But it also has to do with responsibilities. For example, MPs do not participate in the Development Observatories (at least as active members) or in the Annual Reviews. In both forums, civil society organisations are invited, but their role is still limited.

Another emerging factor impacting on planning and monitoring has been the “Open Presidency”.⁵ Presidential visits and meetings with the citizens at the local level have been an opportunity for the President to hear grievances, gather demands and sometimes take policy and political decisions in a relatively ad-hoc way. After the introduction of the Local Investment Budget in 2006, also known as the ‘7 million’ fund, many district administrators were dismissed after citizens complained about a lack of transparency and fairness in the utilisation of this fund to benefit the local population. The rules for utilisation of the fund were changed after presidential visits. For some interviewees, despite the political and institutional/legal legitimacy of the President to take policy and political decisions, this is an example of how the political leadership can sometimes subvert the implementation and regular monitoring of Government plans, sometimes overlooking the need to have a clear vision of the objectives or a sound course of action to achieve them.

3.4. *Recommendations on the quality of indicators*

Development and governance involve a wide array of policies and actors involved in monitoring public policies in support of the necessary interventions. Whilst some stand-alone activities are important for the achievement of broad development objectives, including good governance, a lack of coordination with initiatives undertaken by other institutions can limit effective monitoring. The linkage of some indicators to conditionalities can be a problem because this diverts the monitoring exercise from its core element, that is the achievement of clear, long-term results. Therefore, separating indicators and their monitoring from the dynamics of conditionality is seen to be a good way to strengthen their role as sound policy instruments, rather than them being elements to fuel a sometimes controversial and adversarial relation (on some issues) between Government and donors.

⁵ This comprises presidential visits to the local level to assess the implementation of the Government plan and to interact with the population.

Table 3 provides examples of the quality of some governance indicators included in PARPA II. The indicators cover areas such as public sector reform, anti-corruption and the justice sector.

Table 3: Assessment of a Sample of PARPA II Governance Indicators

OBJECTIVES	RESULT INDICATOR	ACTIVITIES	OUTPUT INDICATOR	OBSERVATIONS	
Improve public service delivery in terms of Access, Quality and Efficiency	% of districts and municipalities assessed with a substantial improvement in the quality of services	Restructuring of Ministries, provincial governments and districts	Number of Ministries, provincial governments and districts restructured	Connection between result and output indicators is not straightforward	
		Updating and strengthening of municipal record system	% of municipal revenues coming from land taxes	Output indicator is too specific when compared to the proposed activities	
		Establishment of one-stop shops in main cities and towns	Number of one-stop shops created	This indicator is consistent	
		All municipalities, provincial governments and part of district governments connected to the Government Network (GOVNET)	Number of municipalities, Ministries, provincial governments and districts with at least 75% of their services connected to the GOVNET	Activities and output indicators are not consistent or realistically linked to the result indicator. In a country with serious access to basic infra-structures these indicators are not realistic	
	Number of corruption cases denounced, investigated, and accused	Setting up and ensure functioning of coordination mechanisms for the implementation of the anti-corruption strategy	Institutional mechanisms for the coordination of the implementation of the anti-corruption strategy established and functioning	Number of public institutions with anti-corruption plans and strategies based on the national strategy	The connection between result indicators, activities and output indicators is not clear. Moreover, these indicators should be connected to the justice system, because it is responsible for the attainment of the results indicated in the related indicator, but they are not. Moreover, indicators of the justice sector do not have information about the capacity of the system to improve its output as defined here.
Consolidate a transparent, accessible, transparent and expeditious system	The M & E system adopted in all institutions of the justice sector	Introduction of modern management and M & E systems in justice institutions	Software approved Justice sector institutions with M & A software and internet	Indicator too generic and loosely linked to the main objective.	
	Penal Code, Penal	Revision of the existing legislation	Penal and Penal Process codes	The chain linking objectives, activities,	

OBJECTIVES	RESULT INDICATOR	ACTIVITIES	OUTPUT INDICATOR	OBSERVATIONS
of justice	Process Code and Commercial Registration Code revised		revised Decree law approving the revised Commercial Registration adopted	results and output indicators is too long and it is not clear how the objectives will be attained.
	New laws regulating the administration of the justice sector become effective and are enforced	Approval and implementation of the administration of justice law, including the organic law of the judicial courts	Law approved and published in the <i>Government Gazette</i> / Republic Bulletin (BR)	Objective, activities and indicators are consistent
		Setting up of commercial sections in courts in Maputo city and in Nampula and Sofala provinces	Commercial sections established in judicial courts of Maputo city and in Nampula and Sofala provinces	Objective, activities and indicators are consistent, although they restrict the scope of the monitoring (coverage of only one city and two provinces) is not consistent with the idea of accessibility indicated in the objective
		Revision of the organic law of the Attorney General Office (Lei Orgânica do Ministério Público)	Law revised and published in the BR	Indicator relatively consistent, but does not inform about implementation, which can reduce its effectiveness in contributing to the attainment of the objective

4. Integration of other relevant governance assessment instruments in the M&E M & E of the National Development Plan

4.1. Relevant governance assessment instruments and their alignment with the national development plan

Most donors conduct regular country governance assessments or use the existing studies to inform their country's strategies. In this section three examples of governance assessments will be presented, namely NEPAD's African Peer Review Mechanism, the World Bank's CPIA and the European Commission EDF Mid Term Review.

Mozambique adhered to the African Peer Review Mechanism (APRM) in 2003 and the country revision was planned to be carried out in 2004, but it had to be postponed, due to the forthcoming general elections. The process was resumed after the elections, with the putting in place of the structures for its management, such as the National Focal Point (the Minister of Planning and Development was appointed to perform this role), the National Forum (with 59 representatives – 23 from the public sector, five from the private sector and 36 from civil society) and the APRM Secretariat. The country review was carried out by independent entities and was considered an inclusive and impartial process. The Review country report was presented at the Heads of States Forum in Libya in 2009. Subsequently the country worked on the recommendations made at the forum and prepared the action plan, which has been integrated into the final version of the report that is now being translated into Portuguese. In the meantime, some of the review recommendations were included in the Five-year Programme 2010-2014. A full-time secretariat was set up to monitor the implementation of the action plan. The monitoring of the APRM recommendations will be linked to the National M & E system, which is also being established by the Ministry of Planning and Development.

The 10th European Development Fund (EDF) Mid-term Review (EDF-MTR) of the Country Strategy Paper (CSP) is a European Commission (EC) governance assessment instrument with implications for the National Development Plans. The EDF-MTR comprises an assessment of four areas, namely governance, poverty and social situation, economic situation and implementation of EC cooperation (European Commission, 2009). The assessment of the governance situation consists of two components. The first is the analysis of governance commitments that are part of the Government priorities, called the Governance Action Plan (GAP), drawn from PARPA II, and the indicators used in this exercise are those of its monitoring framework. The Government is supposed to report on the implementation of the GAP and suggest improvements or revision of activities and indicators were it deems necessary. The second component is the appraisal of the governance trends, based on at least two Governance Profile assessments. The Governance Profile evaluates the country performance in key areas, such as human rights, political and democratic governance, anti-corruption, Government effectiveness, economic governance, internal and external security, social governance, internal and regional context and quality of partnership. The indicators are mainly based on the World Bank's World Governance Indicators (Kaufman, Kraay and Mastruzzi, 2009). The assessment of the governance situation also takes into account the APRM and other donors' governance assessments. Good performance in the Governance Profile and an overall positive assessment in the EDF-MTR have implications in the increase of the country's resources' envelope, which has an obvious influence on the national development plans in general and particularly has implications in governance commitments. Mozambique has concluded its 10th EDF-MTR of the CSP 2008--2013 in December 2009, whilst two Governance

Profile assessments had already been done in 2006 and 2009. The result of the EDF-MTR feeds into the regular political dialogue between the European Commission Country Delegation and the Government, and informs the discussion on indicators to be included on the Governance Action Plan (drawn from the existing national programmes) and on other policy decisions.

In 2006 when Mozambique's World Bank Country Policy and Institutional Assessment (CPIA) rating dropped, it triggered more awareness within Government of the need to monitor progress in key policy areas -- it was realised that a lower rating could have implications for the IDA (International Development Association) resources allocations to the country. CPIA includes appraisal of governance under the cluster D, named *Public Sector Management and Institutions*, comprising areas such as anti-corruption, public financial management, transparency, accountability and quality of public administration. Interestingly, one of the reasons for the drop in the country's rate was the result of changes in the measurement methodology and the sources of information used in the assessment. The awareness of the importance of the CPIA led to the creation of a multi-sectorial group responsible for systematically monitoring progress and advising on corrective measures to be taken in key policy areas if necessary (Macuane, 2009). The concern with the performance as measured by the CPIA contributed to more attention being paid to those areas of the PARPA and PQG that could have an impact on the country resources' envelope, hence stimulating the implementation and monitoring of the most sensitive areas (in this case related to governance).

This subsection shows that some governance assessment tools used by international organisations and donors influence considerably the way governance issues are included in policies, implemented and monitored at the national level. This trend increases the importance of looking more closely at ways in which donors and international organisations can contribute to supporting countries to foster self-owned processes.⁶

⁶ Given their centrality in the subject matter of this study, recommendations on how donors can support country-owned processes effectively are included in the section on overall findings and recommendations.

V. THE PARLIAMENT **PARLIAMENT**

Introduction

The Mozambican Parliament – the Assembly of the Republic – emerged from the multiparty election in 1995 with responsibilities of law-making, oversight and representation. To date three full legislatures (1995--1999, 2000--2004 and 2005--2009) are part of the multiparty history of the Assembly of the Republic. The legislative power is unicameral with 250 members of Parliament who exert their responsibilities in three organs, namely the plenary, a steering committee and several standing committees. While the plenary has the major decision-making power, the steering committee is the one responsible for coordination of parliamentary activity, and the standing committees make in-depth appreciation of Bills before they are tabled for deliberations in the plenary. The Mozambican Parliament has eight standing committees, namely:

- 1) Committee of Constitutional and Legal Issues and Human Rights;
- 2) Committee of Planning and Budget;
- 3) Committee of Public Administration, Local Government and Media;
- 4) Committee of Agriculture, Rural Development, Economic Activities and Services;
- 5) Committee of Social Issues, Gender and Environment;
- 6) Committee of International Relations;
- 7) Committee of Petitions;
- 8) Committee of Defence and Public Order.

Committee membership is allocated to parties in proportion to their number of parliamentary seats. In the current legislature (2010--2014) Frelimo has 191 seats, Renamo 51, and Mozambique Democratic Movement (MDM) 8. It took a one-off revision of the Standing Rules and Orders to allow MDM to form a caucus. Under previous rules a party had to have 11 seats to form a parliamentary group.

To perform those responsibilities the Assembly of the Republic is expected to count on the support from a technical secretariat which has administrative and technical support structures.

Even though some parliamentary secretariat staff from standing committees have higher education degrees, they only play a secretarial function. The parliamentary secretariat does not have skilled and expert staff in its research unit that can support parliamentary standing committees in policy formulation or policy control. Budget limitations are referred to as the main constraint facing the parliamentary secretariat. In addition, the parliamentary standing committees cannot monitor and evaluate the implementation of Government policy in all 10 provinces in a single year. The Assembly of the Republic standing committees can only visit one to two provinces per year, suggesting that they require an entire term (i.e. 5 years) to cover the entire country. This acts as a constraint, preventing the Assembly of the Republic from developing and performing well in its main responsibilities of law making, oversight and representation.

1. The aim

This section tries to identify indicators that the Assembly of the Republic uses to oversee the executive at standing committee level. Committee oversight was examined in the scope of 1) standing committee visits to the executive at local (provincial and district) level; and 2) standing committee audiences with the executive. Based on face-to-face interviews with Members of Parliament (MPs) and parliamentary staff, as well as researchers' personal experience with parliamentary work, the study found that the use of development and governance indicators by Parliament it is not yet institutionalised.

Although some committees do collect data gained from their oversight visits at local level, this collection appears to be less institutionalised in other committees. Systematic data collection during these oversight visits, tends to exist only at committee chairperson, and at committee rapporteur level. Information from oversight visits is crucial for Parliament when mid-term reviews of the annual social and economic plan and annual budget is discussed in the house. The absence of systematic information fails Parliament in its efforts to monitor and evaluate the executive. Some MPs may claim that their committees do use governance indicators to oversight the executive, but this is not apparent or provable because reports from oversight visits tend to be fragmented, and inconclusive.

Even though civil society is becoming more vibrant, Parliament uses very little outside information from civil society organisations. The drafting of legislation on land reform and, more recently, legislation countering violence against women are exceptional examples in an otherwise very low interaction between Parliament and civil society organisations. For example, there is little evidence of that deliberations in Parliament have taken into account governance indicators on the budget as it was developed by the Centre for Public Integrity.

With respect to annual report of the Attorney General to Parliament, the opposition tends to use some governance indicators on crime and justice, but not systematically.

In this context, this section looks at instruments that contain development and governance indicators that the legislative may use in monitoring and evaluating the executive. By analysing several instruments, it was found that only those adopted by the Assembly of the Republic are actually used as instruments to monitor and evaluate the executive behaviour in the office. While instruments devolving from civil society organisations are used to some extent,, they are far from being effective, and instruments from international agencies and institutions are hardly used.

The Assembly of the Republic may use the following national instruments that contain indicators to monitor and assess governance in the scope of committee visits to the executive at local level:

- Agenda 2025;
- Plano Quinquenal do Governo (Five-Year Government Plan);
- PARPA II (Poverty Reduction Strategic Plan);
- Annual Social Economic Plans;
- Auditing Report from the Account Court;
- Sectoral Strategic Plans;

- Provincial Government Strategic Plans;
- District Government Strategic Plans.

Other national instruments with governance indicators that the Assembly of the Republic may use to oversee the executive are:

- Parliament research staff (excluding budget office);
- Parliament budget office;
- Independent researchers and civil society organisations, including the media;
- APRM (African Peer Review Mechanism).

The international watchdog agencies, such as, The World Bank institute indicators on governance, Transparency International on Corruption Perception Index, Freedom House on civil liberties and political rights, Afrobarometer on quality of governance and Mo Ibrahim governance index, have also been identified as international instruments with governance indicators that Parliament may use to oversight the executive.

In the scope of committee's audiences with the executive, they were identified as instruments to oversee executive behaviour in administrating the state, the constitutional framework and international/ regional conventions that the Government ratified from the United Nations, African Union or the SADC.

2. Main Findings

a) Social Economic Plan and State Budget

In the scope of committees' visits to Government at a local level, we found out that Parliament uses two instruments approved by its plenary to monitor and evaluate governance, namely the annual socioeconomic plan and the state budget, which are part of the broader Quinquennial Government Plan. With these instruments, parliamentary committees track the executive governance performance at a provincial and district levels. It is possible to see whether the executive at those levels is implementing policies (i.e. plan and budget) according to what was approved by the Assembly.

However, this oversight function is not performed in a systematic manner. For instance, not all districts are targeted due to parliamentary committees' incapacity, and thus the development and governance indicators in the annual socioeconomic plan and state budget implemented by the executive are not systematically monitored and assessed by the Assembly of the Republic. Standing committees have between 15 to 17 members, most of them with little experience in policy analysis. This is exacerbated by the fact that standing committee staff do not have expertise, even though some members hold university degrees.

It should be mentioned though that a wider view of Parliament staffing shows that a significant effort has been placed in training parliamentary staff and filling civil service vacancies in Parliament with upgraded educational credentials since the establishment of the multiparty dispensation. Increasing numbers of parliamentary staff assigned to standing committees hold university degrees (bachelor and honours, and occasionally MAs). However most long-term

staffers do not have the necessary qualifications to offer expert advice to MPs in their committee work. Thus, it is fair to agree with Pereira and Shenga when they stated in their 'Strengthening Parliamentary Democracy in SADC Countries: Mozambique Country Report' that,

... administrative and legislative technical support [divisions] of Parliament are characterised by weak and unskilled structures, which means they are ineffective in terms of providing appropriate technical support to Parliament and its members. (Pereira and Shenga, 2005:33--34).

In addition, Pereira and Shenga (2005) emphasised that even though the legislative support division has a technical research unit (e.g. *Gabinte Técnico*) to carry out research and provide technical support on policy making and budgeting to the Assembly of the Republic, this unit does not have the capacity to provide and respond to the demands of the Assembly of the Republic. The unit relies on expert consultants to fulfil its duties. As Shenga (2002) illustrated, from 1999 to 2001 the Assembly of the Republic requested 38 technical reports, and all of these were sent to extra-parliamentary experts, due to the lack of expertise and capacity within the parliamentary technical research unit. Even though these studies lag by eight years, this study found that the unit had still not yet developed expertise and capacity to support Parliament on policy making and budgeting.

Some of the interviewees confirmed that the majority in Parliament have been particularly attentive to the allocation of seats in standing committees according to professional experience. At first glance, the current Chairpersons of key portfolio committees seem to confirm this observation. The Plan and Budget Committee is chaired by Eneas Comiche, former Finance Minister and former mayor of the capital city, Maputo. He is also a member of the Frelimo Political Commission. The Public Administration Commission is chaired by Alfredo Gamito, former Minister of State Administration. The Legal Commission is chaired by Teodoro Waty, a university law lecturer, formerly Speaker for the Maputo City Assembly and also a member of the Frelimo Political Commission.

In fact, after more than 15 years of multiparty democracy, the Mozambican parliamentary structure of standing committees tends to rely on the experience, and expertise if any, of the Chairs, Vice-chairs, and one or another MP, not on the formal 'technical' parliamentary staff.

This suggests that to be an effective oversight institution of governance performance, the Assembly of the Republic must also monitor and evaluate the executive at central (i.e. ministerial) level rather than at local (provincial and district) level only.

The fact that virtually no substantive changes are made in Parliament, to the annual plan and budget submitted by the executive, may well document the politics of the predominant State party system. Amendments are only permitted to make documents clearer, but substantive changes are not permitted. One key informant told the research team that 'the global aspects, which are the great aggregates of the budget, do not change'..

b) Auditing Report from the Administrative Court

Apart from the instruments approved by Parliament (plan and budget), the budget and plan parliamentary committee uses the Auditing Report from the Administrative Court as a support instrument to monitor and evaluate the executive governance performance. The Auditing Report

is sent to Parliament before the executive is held accountable in the plenary, but it is the committee of planning and budgeting that evaluates and debates the Auditing Report and presents its specialised report to the plenary for acceptance. Before this process, the committee holds the Administrative Court⁷ accountable for clarifying how the auditing was carried out and major issues surrounding it.

Nevertheless, the details of each audit carried out by the Administrative Court in public institutions mentioned in the Auditing Report, are not delivered to the Assembly of the Republic, in the sense that it is a public document which is accessible to all, including the media. The details of each audit carried out by the Account Tribunal is only sent to the Speaker who does not supply a copy to the Chair of the Standing Committee of Planning and Budget.. The details become confidential and classified information shared only by the President of the Republic, the Speaker and the Attorney General, as the Auditing Tribunal supplies only one compact disc to each one of them. Consequently, the Assembly of the Republic is only appraised of a summary of the governance audit produced by the Administrative Court. This suggests that reform is needed in the sense that the Assembly of the Republic needs to obtain all details in order to monitor and evaluate governance carried out by the executive.

c) Other National Instruments/ Indicators

Other national instruments, such as the Agenda 2025, PARPA (Poverty Reduction Strategic Plan), Sectoral Strategic Plans, Provincial Government Strategic Plans and District Government Strategic Plans, are not used by the Assembly of the Republic as source indicators to monitor and evaluate the executive governance performance at any level. The reason is that the Assembly of the Republic considers these to be executive instruments instead of parliamentary ones. One MP even commented to the research team that: '[PARPA and even Agenda 2025] are Government instruments of governance that were simply presented and delivered to us, we have nothing to do with them'.

Most MPs, however, appreciate the fact that PARPA is more detailed and expands the Quinquennial Government. While PARPA is adopted by Government in consultations with the donors, especially the World Bank, Agenda 2025 was adopted following a concerted, consensus-building effort, aimed at bringing together all sectors of society. Although key MPs were delegated to assist in the preparation of the Agenda 2025, Parliament was not otherwise involved in the formulation of those instruments. The Sectoral Strategic Plans, Provincial Government Strategic Plans and District Government Strategic Plans are also executive instruments of governance at different levels (central and local provincial and district) that were never presented nor delivered during plenary sessions.

Consequently this report advocates that the Assembly of the Republic, and MPs, open their outlook on policy oversight. The effectiveness of public policy evaluation is a process that requires that policy documents adopted by the implementer (i.e. the executive) are taken into account. Basing governance oversight only on the documents (e.g. annual social and economic plan and budget) approved by the oversight institution (e.g. Assembly of the Republic) does not

⁷ Note that even though the committee hold the Account Tribunal accountable, the accountability audience is hosted at the administrative court and never the opposite, since the administrative court exhibit some kind of 'independence'.

lead to an effective oversight and does not guarantee that policy results will be attained. In this sense, the Assembly of the Republic should develop more awareness of APRM processes, the Plan of Action, PARPA, Sectoral Strategic Plans, Provincial Government Strategic Plans, and District Government Strategic Plans to monitor and evaluate governance. This suggests that MPs need more training on these instruments to become more competent and skilled. In addition, parliamentary staff need to be given adequate expertise in order to perform their basic functions.

d) Information from other Sources: Parliamentary Research Staff and Budget Office, Civil Society and APRM

With regard to other national instruments like information from parliamentary research staff and Parliament's budget office are not used by the Assembly of the Republic to oversee the executive. The reason, as already mentioned, is that the Assembly of the Republic has not yet developed competent and skilled staff.

Also information produced and supplied by independent researchers and civil society organisations (e.g. *Centro de Integridade Pública - CIP, Fundação para o Desenvolvimento da Comunidade - FDC, Associação Moçambicana para Desenvolvimento Democrático -- AMODE*) -- even though this information appears to be relevant, consistent and valid analysis is not used as indicators to oversee executive governance performance. In most cases the ruling parliamentary party, Frelimo, tends to ignore this information. As seen earlier, the Assembly of the Republic only uses the annual socioeconomic plan and budget as an instrument to assess governance and development.

We were informed that there are several examples of information from civil society organisations that the Assembly of the Republic does not take into account in decision-making processes at committee and even plenary levels, however, MPs did not provide any examples. While it is not clear whether Parliament uses information from civil society to oversee Government governance performance, we heard from secondary sources of civil society that information to help the Assembly of the Republic to carry out its functions had been supplied by civil society.⁸

On the other hand, the Assembly of the Republic, together with civil society organisations, involves itself in the evaluation of development and governance issues. This was evident in the context of the 2009 African Peer Review Mechanism (APRM) where all parliamentary committee chairs attended, and even chaired certain panels. Although many of them did not participate fully, there was a commitment to the aims of the APRM. However, 2009 APRM did not use information produced by civil society, or the Assembly of the Republic, in their final English report.

As to whether the Assembly of the Republic uses APRM as a useful instrument to oversee governance, our finding is in the negative. The APRM was never discussed by the Assembly of the Republic at committee or plenary levels. The committee chairs attended APRM outside

⁸ www.cip.org.mz

Parliament. Some of the interviewees noted that parliamentary deliberations in many instances reveal limited awareness of the APRM report and its Action Plan on the part of parliamentarians. One person observed that discussions on the issue of entrenched Frelimo structures in state institutions was an important revelation in this regard.

e) International Watchdog Agencies and Others

Looking at the international watchdog agencies such as: The World Bank Institute indicators on governance (e.g. voice and accountability, regulatory quality, rule of law and control of corruption, political stability, and Government effectiveness), Transparency International on Corruption Perception Index, Freedom House on civil liberties and political rights, Afro barometer on quality of governance and democracy, and Mo Ibrahim governance index, we realised that the Assembly of the Republic never used these instruments to assess Government governance performance.

These instruments can penetrate in parliamentary debate at committee level through parliamentary research units, but since the Assembly of the Republic has not yet developed in its staff the competence and skills to advise the Members of Parliament, they will be less likely to be integrated in the Assembly of the Republic to monitor and evaluate the executive. Once again, this suggests that the creation of a capacity building and skilled parliamentary research unit is of vital importance.

With respect to committees' audiences with the executive, we observed that when the executive develops legislation and submits it to the legislature, this body through specific standing committee first oversees whether the Bill follows the constitutional framework. Besides this, there is also a standing committee for legal issues (e.g. CAJDHL), amongst others, that verify constitutional conformity. These are again later verified at plenary level when the Assembly of the Republic evaluates the Bill. The introduction of the Bill of law (e.g. preamble) shows its conformity with the constitution which is verified by CAJDHL.

The Assembly of the Republic also uses international/regional conventions drawn from the United Nations, the African Union, SADC or NEPAD. These are adopted by the executive and ratified by the legislative to monitor and evaluate the executive governance performance. It does this by guaranteeing that after the conventions, the executive develops specific legislation operationalizing those conventions. However, this is far from being effective considering a chronic lack of capacity.

Conclusion

This section shows that the use and development of governance indicators has not yet gained acceptance, or 'buy-in' by Parliament. This is attributable to many factors, prime among them is the fact that Parliament only works with instruments that it has approved, in order to oversee its own performance in respect of service delivery. Other appropriate instruments, such as the Poverty Relief Programme (PARPA), are ignored. Also important is the fact that Government lacks capacity, and has limited financial resources. Donor-support is of no help in this regard, because 'legislative' strengthening is not a priority for donor agencies.

Since its emergency in 1995, Parliament only received funds from USAID (SUNY programme, 1996--2001), and DANIDA (UNDP programme supporting Parliament, 2001--2011). Given the

dominance of Frelimo in the legislature (evidence of a 'dominant party system), political opposition is weakened and less checks and balances are applied.

As a strategy to support good governance and to institutionalise governance indicators in the house, parliamentarians should take into account other relevant instruments to evaluate policies.

Furthermore, Parliament could take the lead in the use of the APRM set of indicators in the monitoring of governance, contributing to strengthen local ownership in governance assessment.

Finally, donor support to governance should include strengthening the assessment capacity of Parliament, which is a key institution of the democratic process.

The African Peer Review Mechanism in Mozambique

Introduction

The recent call for good governance in developing countries calls attention to the debate on effective monitoring of governance performance in order to achieve high performance in policy implementation. As a result, several mechanisms of evaluation of Government performance are now being implemented in these countries by Government, donors and civil society. Most of these arrangements to assess governance are presented by their proponents as different in nature, methodology and objectives. However, it's easy to recognise how they overlap in many aspects. Yet, 'the increase in number of producers of indicators has had a positive effect on the quality and diversity of governance indicators available' (Arndt, 2008).

Governance indicators are used for several reasons, but it seems likely that many donors and investors tend to rely on the dominant indicators. These are mainly used as decision-making tool for outsiders (Arndt, 2008). International organisations use cross-country composite comparable governance indicators to create incentives in developing countries to their governance, and enhance the transparency and objectivity of their aid-allocation decisions. The increased resistance from developing countries towards 'Western governance indicators' puts in question the fulfilment of those high expectations (Arndt, 2008:22). A more specific context of quantitative and qualitative indicators is needed.

The African Peer Mechanism Review (APRM) is one of those initiatives to assess governance by targeting specific indicators related to specific areas of governance exercise. This initiative was implemented in Mozambique in 2006. The first evaluation report of Mozambique governance by APRM was concluded in 2008. The APRM considered itself as a self-monitoring mechanism, voluntarily acceded to by the member states of the African Union (AU), which facilitates the attainment of the objectives of the New Partnership for Africa's Development (NEPAD). By developing national capacities within key national institutions, raising awareness about APRM, and ensuring civil society participation in the process, the project aims to create the conditions needed for sustainable growth and economic development in Mozambique (Mozambique APRM Project; 2009:1). The APRM, claims that it does not duplicate the already existing review mechanisms and processes, and ensure that this becomes an operational and commonly accepted point of reference in the area of governance in Mozambique.

A study of APRM in Mozambique would ideally analyse the organisational structure of this mechanism, as well as the nature of participation by a broad range of stakeholders, both local and international. It should also focus on how the indicators of governance are used, what the perceptions of users are of their importance, reliability, and their limitations. Finally, the study looks at the relations and difference between the APRM and other mechanism in place, mainly the country PRSP review. In the analysis, the study pays particular attention to how the indicators of governance are derived and monitored both in PRSP and APRM. The study has to also look at how APRM assures that once the review is done in a country, the recommendations are fully implemented. The APRM aimed at generated good practices to promote the adoption of law, policies and practices that bring more political stability, higher economic growth and economic integration to the continent.

The reported methodology was based mainly, on documentary review and a basic literature review. Complementary to those instruments, it employed a few researchers to conduct several semi-structured interviews with main stakeholders on this review mechanism. The report is structured as follow: firstly it briefly presents the design and concept of APRM, secondly, the APRM process in Mozambique, thirdly the nature of civil society participation in the process, fourthly, the use of governance indicators on APRM and finally the preliminary conclusions.

1. Design and Concept

The Governance indicators detailed in the APRM are agreed to by Government. Although most of those indicators are derived from international standards, each country has an opportunity to adapt these indicators to suit local context and needs. Significantly, the design of the APRM assessment ensures the independence, transparency and participation through the peer review mechanism.

Another fundamental objective is that a country's self-assessment has to follow certain guidelines. The review mission of the country is crucial to that purpose.

The APRM report is structured according to the following four thematic areas:

- Democracy and Political Governance
- Economic Governance and Management
- Corporate Governance, and
- Socio-economic Development.

The report has to integrate the conclusions of the four thematic areas, including what the country considers to be its best practices in terms of management and policies already implemented. The review process is conducted in five steps: i) the preparation of the review process; ii) evaluation meetings throughout the country; iii) The preparation of the final review; iv) the evaluation / peer review; and v) public presentation to African institutions.

The report of the country is approved with a Programme of Action that indicates the desired process by which the country will make changes by implementing recommendations.

2. The APRM Process in Mozambique

The APRM in Mozambique was established in 2005 by the Government of Mozambique, and includes a National Forum (FN) composed of 59 representatives of civil society, as well as the public and private sector. The FN meets four times a year.

The Mozambique process for the elaboration of the report took almost two years. The first phase of APRM implied the preparation in terms of understanding the methodologies and the questionnaire related to each four components of APRM, in order to adapt it to the specific reality of the country. Unlike other countries where the APRM mechanism was implemented, the National Forum decided to outsource the review to research institutions and consultants. The selection of the institutions was based on a public tender. The Research institutions had the responsibility of domesticating and reformulating the APRM, to propose adequate scientific and objective methods to conduct data collection, and to identify valid quantitative and qualitative data on preparation of the draft of self-assessment for each component.

A household survey was conceived of with the participation of the National Institute of Statistics (INE). The aim of the survey was to capture people's perceptions of the country's situation, taking into account its vast geo-political and social diversity. The survey was conducted by institutions contracted to ensure the independence and transparency of the data collected. Considerable energy went into publicity, and collaboration with the media, to ensure the participation of civil society in the process. Data collection seminars were organised in all 10 provinces and in 3 districts of each province, where the data collection took place for the validation of the process. The draft report was submitted to the representative of each thematic area of APRM. The members of the forum were divided into four groups to comment on the report drafts. The forum could not make any changes to the report but was allowed to comment on it.

An analysis of the APRM questionnaire showed that many questions were repeated in all four thematic areas. The National Forum decided to harmonise the conclusions of the four thematic areas before the report was disseminated to the local committees for validation, and eventual implementation. The report was then submitted to Government and to the APRM Secretariat of NEPAD. The Review country report was presented at the Heads of States Forum in Libya in 2009.

Following the submission of the report to the APRM Secretariat with its respective programme of action, a country review mission was undertaken to ascertain if the country self-assessment reflected the situation on the ground. This review took one month, and involved visiting locations where data collection had been carried out in order to repeat the procedure. In the case of Mozambique, as well as in other countries, it was clear that issues such as land privatisation had not been addressed. The Mozambique Government disagreed with some of the conclusions of the mission revision. Therefore, the Government's comments were attached to the mission revision report and submitted to the APRM Forum for discussion, comment and adoption. The APRM Forum approved the report and its action plan in June 2009. Mozambique became the 12th African country to have its report approved by the AU.

Since the report was approved during an election year, the Mozambique President and Parliament were given the opportunity to integrate some of the review recommendations in the Five-year Programme 2010--2014.

Although the African Peer Review Mechanism (APRM) was supposed to be funded from each country's state budget, this was not the case in Mozambique and donor-funds were utilised. Given the high cost of the review process, the composition of the new National Forum, and its technical teams are in a process of reorganisation. The idea is to reduce the number of members and so bring down the high costs of operations of the National Forum

Mozambique has not yet implemented its Action Programme, but has appointed a full-time secretariat to monitor the implementation of the action plan. Importantly, the monitoring of the APRM recommendations will be linked to the National M & E system, which is also being established at the Ministry of Planning and Development.

3. Civil Society Participation in the Process

Because the APRM claims to be an independent assessment mechanism, a degree of participation by civil society organisations was crucial. In Mozambique, the composition of the National Forum included all the members of Agenda 2025, the chairpersons of all Parliamentarian Committees, representatives of youth, civil society, Vice-Chancellors of public and private universities, mass media, three provincial governors representing the three regions of the country, the president of the central bank, and the president of the National institute of Statistics (INE).

In terms of civil society participation, their inclusion was facilitated by the fact that some forums in Mozambique, such as the Development Observatory, were already marked by high levels of participation by civil society organisations. On the other hand, participation by Parliament was not satisfactory due to difficulties in harmonizing the agenda of the National Forum with parliamentary sessions.

The independence of the APRM is a crucial factor and there is a need for a clear balance in composition of the NF. Government and parliamentarian's participation at NF level should not outweigh the ability of other groups or stakeholders to influence the process.

4. Use of Governance Indicators on APRM

An important aspect to consider when discussing governance indicators on APRM, are perceptions of users about the importance, reliability, content, and limitations of these indicators.

The APRM questionnaire of is very broad in its scope, and gives each country the opportunity to elaborate and disaggregate an indicator while in process of domesticating it for the purpose of carrying out their assessment.

The APRM project in Mozambique states that:

The Approach is based on the principles of complementary and inclusion to ensure that the operationalisation of APRM does not duplicate the already existing review mechanisms and processes in Mozambique. It is critical to clearly define how the APRM

relates to these mechanism processes and carefully analyse how they complement one another. This means nothing to the APRM, given to a greater inclusiveness and emphasis on governance indicators; It is a direct contribution to the Performance Assessment Framework (PAF). The inclusion of civil society and marginalised groups, such as disabled, diseased, women and children, is at the very heart of the APRM and therefore, it is an opportunity to increase involvement in the ongoing process of policy review and decision-making. At the same time, the APRM will fill the gap in the PAF, which has often been criticised for paying too little attention to qualitative indicators, particularly in the areas of political, corporate and economic governance. (Government of Mozambique & UNDP, 2006: 8).

In dealing with the APRM Report, the first step was to try to harmonise the indicators that are part of the Social and Economic Plan (PES) of the State Budget (OE), and the indicators of PAF that are used to access the country's PRSP, (What is this?) with the indicators of the Action Programme of the APRM⁹. The PES and OE tend to present aggregated indicators, while in the APRM Programme Action, these indicators are presented as details and in a disaggregated manner. Terminology is important and complex subjects such as Gross Domestic Product (GDP) were explained in simple language.

In addition, during the process of the domestication, some of the indicators were not relevant, either to the country, or to the region. The APRM questionnaire is sufficiently flexible to allow for these adaptations. The APRM is now well set to promote the culture of use of governance indicators systematically.

The APRM questionnaire also refers to Government's international commitments, but these are not included in the action plans. These commitments are not new, but they do need to be included. For each thematic area the questionnaire starts by addressing international agreements, threats and standards that are used worldwide as an indication of adoption of international recommended governance indicators and good practices. All the documents are not only ratified by the Government, but also by Parliament. For that reason, it can be said that the Programme of action is not a document that is binding on Government but also on Parliament and other stakeholders.

To ensure the understanding and use of governance indicators on the APRM, an expensive marketing strategy for disseminating of the process had to be implemented. Almost 2 million dollars (USD) were spent on producing the report.

5. APRM and PAF of PRSP

The APRM process in Mozambique makes clear reference to the Performance Assessment Framework (PAF) that is used by the Government of Mozambique and donors to assess the country's Poverty Reduction Strategy.

The Country Self-Assessment, including the Programme of Action and the Country Review Report are expected to inform, respectively, the 2007 and 2008 sessions of the Annual Joint

⁹ PES and OE are the documents that are used to implement and monitor the Government's Five Year Programme in Mozambique. Once elected, the government has to submit this programme for approval, and implementation by Parliament.

Review and thus will naturally feed into the ongoing dialogue between the Government and its strategic partners. (Government of Mozambique & UNDP, 2006: 8)

The APRM Report was only approved in 2009. There are already well established evaluation mechanisms that are used to assess governance in Mozambique. However, the politics of distrust and the contextual use of the indicators by donors and Government in Mozambique limit the effectiveness of the APRM (see, for example, discussions on NDP and Decentralisation in this report).

6. Implementation Process of APRM and relation to PQG, PARPA

The Mozambique National Programme of Action (NPoA) is the operationalisation instrument of all four thematic areas of the APRM. The NPoA starts by defining the macroeconomic framework that shows the scenario of economic growth and the amount of resources committed to each area of the APRM. Following that, a matrix for monitoring and evaluating the implementation progress for each area of the APRM is presented. This matrix includes the issues to be addressed, their objectives, the results to be achieved, the indicators employed, the implementing agencies, time frame, and costs.

Although, several actors are supposed to participate in the implementation of NPoA, the majority of activities are undertaken by Government. Consequently Government uses their own strategic documents (PQG, PARPA, PES, and OE) to implement these activities. Since the APRM's general objectives are in harmony with the objectives of the PGQ and PARPA, this does not pose any problems. Through the annual planning process of the PES and OE, the specific activities and objectives of the NPoA are incorporated, according to their timeframe. Therefore the Balance of the PES (BPES) is a crucial instrument for helping to monitor progress in implementing the APRM each year.

Concluding remarks

The APRM is a very ambitious review process, and requires a lot of resources and competence to undertake it. The data collection process for the APRM is very expensive. Most of the initial APRM processes were undertaken using donor funding. As foreseen in conceptualising the APRM process, the Government is taking steps to assume a central role in the provision of resources for the operations of the APRM assessment.

Due to the broad scope of the topics needed to assess the quality of governance, a focus on specific aspects of governance was not possible. This could limit the effectiveness of the mechanism in helping developing countries improve the performance of their policies through dissemination of best practices.

The research institutions that worked on the report acted independently. As result of a participatory process the assessment has been largely considered inclusive. The process of data collection and the participation of the people in the process ensured the independence of the report. The National Forum was composed of well respected and reputable personalities. It is possible through the process to generate a competent, independent and impartial review of governance.

It is important to note that the APRM is only one of a numbers of assessment processes. In aid-dependent countries like Mozambique, 'good governance' is a contested factor between donors, Government and civil society organisations Another issue, relates to the resources required for the process. Will African Governments pay the costs to sustain the APRM without support from donors? Some African Governments have already shown a reluctance to use the mechanism. It is politically sensitive, until now few African countries have adopted it. Those who did submit to the APRM, experienced difficulties in implementing the recommendations. This is the case in Mozambique, the real challenge comes from how to implement and sustain the APRM assessment exercise. Afterall, it is supposed to function as a continuous process.

7. Main Recommendation regarding APRM

One of the main achievements of the APRM is that through the review and implementation of its recommendations, Governments committed themselves to generate and disseminate best practice. For that purpose the APRM should narrow down its scope and focus on well-defined aspects of governance that will provide proper guidance to improve the performance of Government policies and help them in generating and disseminating best practices.

VI. The Use of Indicators in the Decentralisation Process

1. Introduction

This section of the country study seeks to gain an understanding of which indicators (or instruments) the Mozambican Parliament, that is, the Assembly of the Republic, use in their oversight capacity of the Executive in its decentralisation efforts. As discussed in the section on Parliament, evidence suggests that Parliament has various instruments and means to oversee the executive at its disposal. However, there are also considerable capacity limitations. For instance, even though more of the support staff now have higher education degrees, they only play a secretarial function. Due to budget limitations, however, the critical research unit continues to suffer from a significant lack of skilled and expert staff that could support parliamentary standing committees in policy formulation and oversight. Although some standing committees do attempt to fulfil their function, due to the inadequate budget they are unable to monitor and evaluate Government policy implementation of all the provinces. For instance, committees are only able to visit only one to two provinces per year, suggesting that they would need their entire term in office (i.e. 5 years) to cover all the provinces. Thus, for instance, they lack the information gathering capacity that would be necessary in order for them to effectively participate in and contribute to the mid-term review of the implementation of the Executive's annual plan and corresponding budget.

As indicators to some extent manage the Government's decentralisation project, this lack of capacity by Parliament is a constraint on their ability to engage in the process. These indicators are seen as the relevant instruments to measure how the objectives, activities and results could or should be achieved during the implementation of the projects. However, the identification of indicators requires a consensus between the partners placed at different levels of the programmes (Government, donors, civil society and others). Also, the identification of indicators requires mutual compromise amongst the partners to achieve its goal. In Mozambique, the definition of indicators and the way to measure them remains a challenge between the main national and international partners. Government, donors and civil society organisations in general, have had difficulties reaching consensus on what are the most relevant and best indicators, and the goals to be measured and achieved.

2. The Process of Developing Indicators

The PARPA II, approved in 2006, defined the main indicators to be used to measure progress in decentralisation. The PARPA II was based on the following four Pillars:

1. **Governance** -- Public Sector Reform, Justice and rule of law;
2. **Poverty and Macroeconomic management:** growth and macroeconomic stability poverty analysis and monitoring systems and public financial management;
3. **Human Capital** -- health, water and sanitation, housing, social action;
4. **Economic Development** -- financial sector, private sector, agricultural, roads and infrastructure, energy and infrastructure.

Three crosscutting themes were also identified:

1. gender;
2. HIV/AIDS;
3. and decentralisation.

This analysis will concentrate on Pillar I: Governance -- Public Sector Reform, Justice and Rule of law, which has a sub-component focusing on decentralisation. The principal objective within this component is to strengthen institutional capacity of local governance. In the last years, stakeholders have identified several indicators to measure the performance against this objective. As the first and preliminary requirement, however, it was agreed that the central Government should transfer 3% of the general budget to all district administrations and 0,8% to municipal administrations. It was also agreed that in 2005, 45% of the 128 districts should have a strategic Plan for District Development (PEDD), Social and Economic Plan (PES) and district Budget. The PARPA II also set out the percentage of Districts that should realise the formulation of Strategic Plans annually, starting from 50% in 2006, to 70% in 2007; 85% in 2008 and 100% in 2009.

Thus, the agreement reached between the donors and Government led to the definition of two main indicators:

- The percentage of budget implementation at district and municipal level;
- And, the percentage of human resources with a higher education at district and municipal level.

Other indicators included the percentage of District Consultative Councils that should be working and meeting at least three times per year:

- 25% in 2005;
- 40% in 2006;
- 60% in 2007;
- 80% in 2008;
- 100% in 2009.

Specifically relating to the budget and the decentralisation process the Government and donors agreed to measure the increase revenue generated by the municipalities¹⁰ (in relation to annual budget) per category in 33 municipalities.

According to the targets established, central Government was required to re-allocate its budget to the villages, minor cities and municipalities on a strict time-line.

	Villages	Minor cities	Municipalities
2006	25%	30%	35%
2007	30%	40%	45%
2008	40%	50%	55%
2009	45%	55%	60%

Table 1. Source PRAPA II

¹⁰ The urban population in Mozambique is estimated at 30% of the total population, and the projected rate of urbanisation implies that 50% of the population will live in cities and towns by 2025.

In 2007, in addition to those indicators agreed upon within the PARPA II, Government and donors agreed that there was a need to set specific *criteria to select the 10 new municipalities*. As the criteria were in the process of being defined, the Government announced the 10 municipalities that were to be included. Due to the absence of consultation and mutual commitment, and as criteria were not set up and shared by donors,¹¹ the selection of the new 10 municipalities was delayed until the day before the beginning of joint review meetings. Donors reported that they were concerned with the delay and lack of transparency in defining criteria to select the new municipalities. During the dialogue, Government had assumed that the criteria were based on the law that set up that the municipalities, and should be identified according to the political and socio economic criteria. The donors responded by arguing that those criteria are not clear and need to be changed.

When the new municipalities were finally approved, it also became necessary to identify and develop new indicators to be measured in 2009. This was done in conjunction with Decree 33/2006, approved by the Ministry of State Administration, which authorised the transfer of some competencies and resources from the central level to the municipalities. Thus, an emphasis was placed on the consolidation of municipalities, and Government and donors agreed to setup goals that could be applied to measure the improvement in this particular area of the decentralisation process. In early 2008, Parliament approved the Municipal Financial Law that enabled municipalities to collect tax and thereby generate their own revenue.

Based on these improvements in the legal framework, Government and donors decided to put pressure on the municipal authorities to increase collection of local revenues. In this context, both Government and donors agreed to setup as an indicator the ***percentage of own revenue in relation to the annual budget per each category of municipalities (village, cities and capital)***. This indicator seeks to measure the sustainability and financial autonomy of the municipalities as local governance institutions. Nevertheless, partners decided that Government must increase the volume of money transferred to the municipalities. Importantly, there was also consensus that one cannot conclude that municipalities are functioning properly by the simple fact that they are able to increase local revenue. In other words, the municipalities needed to improve its ability to generate revenue *AND* provide better goods and services to their constituencies.

Apart from the delayed information, lack of transparency in the Government and systematic changes of the indicators, it is important to mention that the definition and monitoring process of the indicators remained almost exclusively in the ranks of donors and Government. In the future, it requires rethinking on how to put together the civil society organisation, political parties, Parliament, Government and donors to discuss the joint review process. Despite these challenges, one question remains: is the authorisation or approval of new municipalities under the responsibility of the Minister of State Administration or Parliament ?

¹¹ During the discussion, Parliament was in session and its agenda showed that nothing was planned to either discuss or approve new municipalities.

3. Data Collection and Presentation

One of the principal indicators used in this process was '**Indicator 13: percentage of own revenue in relation to the annual budget per each category of municipalities (village, cities and capital)**'.

Indicator 13 is based on the proportional growth of the 'municipality's own revenues' divided by 'total expenditure of municipalities'. Because the total includes expenditure coming from external funds, including aid, which is not a stable source of financing (differing considerably from year to year), it is difficult to compare this figure for the same municipality in different years or for different municipalities. In order to solve this problem, donors proposed to exclude the external financing component from the total expenditures, when calculating indicator 13.

According to the data presented below, the conclusion is that in general, the municipalities increased their own revenue.

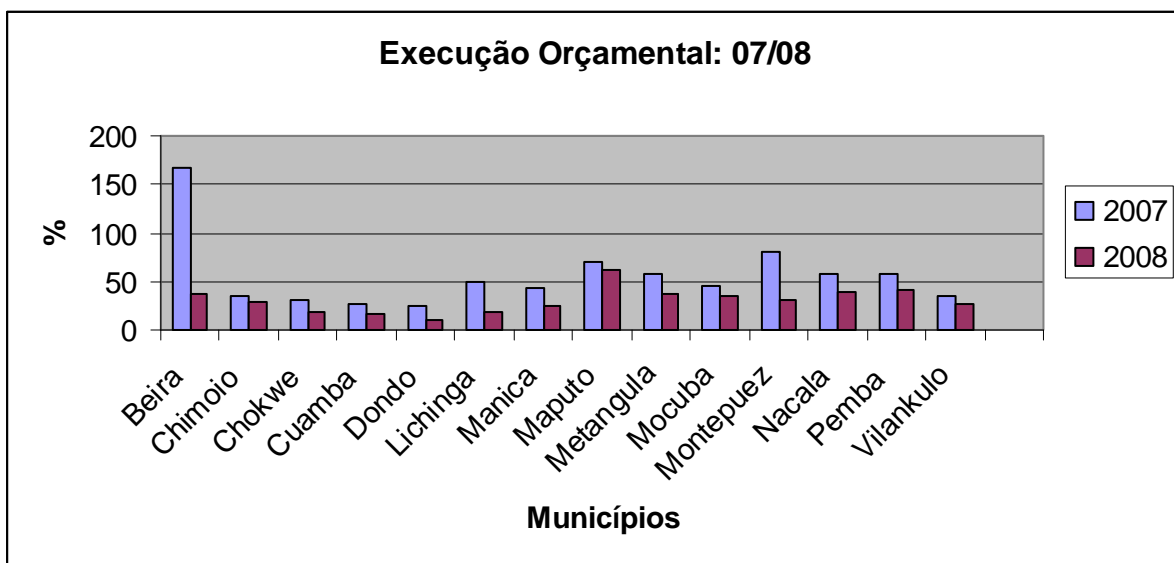
RECEITAS MUNICIPAIS 2007--2008 (Em mil meticais)

	2007	2008
	Receitas	Receitas
Municípios de Vila		
- Metangula	4'468.30	5'963.84
- Vilankulo	17'571.30	33'848.67
- Cuamba	12'997.90	21'313.80
- Montepuez	14'481.60	25'402.28
- Nacala	34'742.00	50'438.54
- Gurúe	8'690.40	9'038.02
- Mocuba	13'548.30	18'034.50
- Manica	12'921.60	22'737.31
- Dondo	39'795.80	52'382.00
- Chókwe	11'389.70	22'009.26
- Lichinga	15'287.60	33'098.20
- Pemba	47'721.50	58'340.00
- Chimoio	29'215.40	48'285.01

- Beira	132'846.30	187'785.51
- Maputo Cidade	267'295.50	1'053'352.00

Table 2: Source: MF: Municipal Revenues 2007-2008

However, the implementation of the municipal budget decreased considerably. The data presented by Government revealed that 42,4% (14 of 33) municipalities decreased their level of budget implementation. Apart from Maputo City, all the municipalities had an implementation below 50%.



Source: MF: distribution of Municipal budget revenues by category.

4. Challenges to the evaluation of indicators

By agreement, the Government was required to present information and data to be analysed by donors during the joint review process. Two separate tables were presented by Government. One of the Tables contained the revenue collected by each municipality in 2007 and 2008. Another table was presented reflecting all revenues collected in each municipality in 2008 (see Table 3).

The Tables presented were analysed by donors and the outcome was discussed with Government during the joint review. Some challenges were revealed and relevant to analyse the quality assurance of the information presented by the Government. The data presented in sheet 1 (2008 – percentage of implementation of own revenues) is contradictory to the data presented in sheet 2 (2008 – percentage of implementation of own revenues).

Municipalities (2008)		Sheet 1	Sheet 2
		(% of implementation own revenues)	(%of implementation own revenues %)
01	Metangula	36.4%	11.8%
02	Vilankulo	27.7%	39.9%
03	Manhiça	410,1%	141,6%
04	Cuamba	17,2%	28,6%
05	Montepuez	30,3%	51,9%
06	Nacala	39.8%	96,5%
07	Gurue	Without information	Without information
08	Mocuba	35.8%	48,8%
09	Manica	25.7%	31,1%
10	Dondo	9,7%	22,8%
11	Matola	69.0%	57,51%
12	Pemba	41.6%	47.1%
13	Beira	37.2%	51,8%

Table 3, Source: MF: distribution of Municipal budget revenues by category.

Other contradictory information was found when the data presented by Government was compared with data presented by Xai-Xai City during the National Meeting of Municipalities in 2008. The Table below indicates the contradictory information provided. These inconsistencies gave suspicion to the fact that data was manipulated.

Source in information	2007	2008
Government data presented during JR	26.702,10	39.230,67
Data on Xai-Xai Municipality Report	28.904,508,00	41.885,444,00

Table 4. Source: Report of the Xai-Xai Municipality presented during the VI Meeting of Municipalities and MF: Distribution of municipal budget revenues by category.

Another problem was the delay of information provided by Government to be discussed during the joint review process.

The data presented by Government showed that the budget implementation was above 100 % for Beira Municipality in 2007, and Manhiça village in 2008. Based on this, some questions can be raised as to the trustworthiness of the process. It seems necessary to clarify what is meant by 'own revenues'. Could it include the budgets transferred from central Government to the municipalities or, could it include the Money transferred by international agencies or other institutions to the municipalities?

Based on the information, two conclusions can be drawn: although the municipalities boosted the percentage of own revenues, implementation remains a critical problem. However, there is no accuracy on the data presented by Government. Another conclusion is that the proportion of own revenue needs to be clarified in future. As a relevant indicator, the Government and donors agreed that this indicator should be maintained in 2010 and 2011. It was also agreed that the indicators must be redefined to measure the financial implementation at municipal level more accurately.

It is clear that there is a noticeable lack of information regarding revenue at provincial and municipal level. It would be interesting to obtain more data, not only for accountability, but also to assess the ability of different levels of Government in the implementation of poverty reduction strategies. Donors believe that by using a percentage for indicator 13, less municipal spending, could lead to municipalities spending from their own resources.

In recent years, there has been a weak consortium of actors or institutions (state, academics, civil society) involved in meaningful discussion of service delivery. Not all actors are adequately prepared or motivated to participate actively in this exercise. How can donors ensure a more proactive participation of all sectors of the Government in this process?

There was no information on the progress of the creation of new municipalities as to their number, geographical distribution or the prospect of inclusion in the forthcoming municipality elections. Will the State budget for 2008 (this report is dated 2010, why use the future interrogative?) reflect preparations for the expansion of local Governments? The results of audits to municipalities should be accessible to development partners as the basis for Municipal regular readjustments of its assistance and capacity building activities. The Government should facilitate the recording of data on transfers (FCA, FIIL) to the municipalities. (These acronyms are not listed in the list of acronyms – what are they?)

During the dialogue process partners have communicated this wish to Government, who seemed receptive to the idea. However, there has been no answer from Government despite promises having been made.

In the 2007 iteration, donors were negative towards the previously defined indicators. For example, during the mid year review, donors identified that the transfer of resources from provincial level to the district level remained low and noted that there was a bottle neck, despite a steady flow of important resources. Perhaps it is important to reflect and identify the constraints leading to this situation.

Although there is an effort by the Government of Mozambique to deploy resources for investment (about 4% of the budget goes to the district), this process is not accompanied by the empowerment of district administrations since only 2% of budget operation is allocated for this purpose. In general, the functioning expenditure transferred to the district from provincial level has been quite unbalanced (30.4% of the budget in Nampula Province, against 3.5% in Manica

province). Additionally, there is an unbalanced distribution of resources between provinces unexplained by information on the components of poverty, and population (there are cases where the most popular provinces receive a lesser budget than others, but the level of poverty is not explained).

The political context and lessons learnt from each period influenced the indicators and their consistency. The indicators set up in PARPA II were not effectively taken into consideration during the joint review process. It could mean that, in spite of being defined in PARPA there is leeway or the flexibility to change the indicators during their implementation.

VII. Conclusions and Recommendations

This study researched the political economy of the development and use of governance indicators in Mozambique with a focus on the use of indicators in the Five-Year Government Plan and PARPA II, the working of Parliament, the preparation of APRM and the dynamics of production and use of indicators in the decentralisation process.

Generally this study has demonstrated how the combined politics of aid dependency, the predominant party and the historically weak civil society have shaped the development and use of governance indicators in Mozambique.

The process of designing the PARPA II was an improvement in terms of country ownership and participation by local actors, in comparison to the previous poverty reduction paper (PARPA I 2001-2205). Ownership of the national development strategy stems from the combination of Government leadership and the participation of civil society organisations in its design, as well as the existence of regular monitoring participatory mechanisms (the DOs).

In Development Observatories civil society organisations often present their qualitative assessment of progress towards poverty reduction in a critical way. However, not much attention is paid to social indicators of poverty reduction. The situation changes when it comes to the Annual Joint Review, where donors become more active and assessments are followed by discussions and negotiation with Government on performance indicators. In both instances Parliament does not participate formally.

The definition of indicators has been monopolised by Government and donors. Moreover, most of the work carried out by civil society organisations is not used for advocacy purposes and does not necessarily influence decision-making.

Ensuring ownership of governance requires shifting the balance of power from a mere donor-Government accountability relationship to a process more driven by a citizenry-based accountability demand. In this regard, specialisation of non-state actors in policy areas, and the promotion of constituency-based activism among civil society organisations can help broaden and strengthen ownership. This could create a measure of social-based demand for better performance in governance that the Government cannot just circumvent. Pressure from the citizenry can activate the political will that has been missing so far and is probably responsible for the recurrent modest performance in governance areas.

In a nutshell, the only actors with political leverage and technical capacity to select and monitor governance indicators of the national policies (and others) are currently the Government and donors. This poses clear legitimacy problems, since other relevant actors, such as civil society and even Parliament, have a very limited role.

The following is a summary of the major findings and recommendations from the four case studies.

1. *Plano Quinquenal do Governo* and PARPA

In countries such as Mozambique, with more than 50% of its state budget funded by aid partners, donors' contribution to country ownership of the processes of designing and monitoring governance indicators is a very crucial but at the same time sensitive issue. As

mentioned above, distortions of the Mozambican political system led to a deficit in executive accountability to the citizenry, but at the same time good performance in governance is crucial for the continuation of donor support for Government programmes. Weak technical capacity, and different perspectives on priorities, contributes to the reduction of Government's political will to tackle sensitive governance issues. Moreover, openness towards civil society participation has not guaranteed a more effective participation by these actors in the process. Consequently, donors are the main stakeholders shaping and pushing for a more effective monitoring of governance. Many governance assessment tools used in donors and Government agreements are used as conditionality for provision of development aid support. This tends to trigger tensions and some resistance from the Government to tackle these issues as donors expect, and is seen as reducing Government ownership of the process.

Sound monitoring of governance indicators have been excessively linked to a perverse logic of donor-Government relations mainly founded on conditionalities. This has diverted the process from being a genuine mechanism of inclusive design and implementation of policies that promote good governance, focusing on the citizen's needs. This ends up displacing the discussion on governance from the ordinary domestic accountability mechanisms and renders the process more mechanical and narrow, since it is more focused on the administrative logic of development aid¹², which fails to capture broader political dynamics and objectives.

However, there are encouraging signals, namely the APRM, which in Mozambique has been a participative process involving a wide-array of stakeholders, and its results, despite being critical to the country governance in its multiple facets, have been accepted and to some extent incorporated into the Government planning and possibly into the national monitoring system.

The growing importance of the APRM in donors' assessments is also a good trend signaling the acceptance of a more participatory and inclusive process of governance assessment. This could increase local ownership and pave the way for the implementation of sounder policies aimed at improving governance.

Therefore, a crucial aspect to take into account is how to ensure that governance assessment does not sacrifice local ownership and becomes an important element in the policy process. The APRM has gone in that direction and (some) donors' willingness to use it as part of their regular governance assessment is a positive trend to be encouraged and consolidated.

In sum, the main recommendations that could be made to ensure donors' support to country-owned processes are:

- Take the dialogue on aid effectiveness to another level and balance the needs of mutual accountability (country performance x continuation of development aid) with those of domestic accountability. This implies uncoupling the definition of indicators with the logic of conditionality, which impacts on the implementation and also on the quality of monitoring of governance indicators. Since Governments have to present good performance in some areas, this is done at the cost of relegating other (important development) activities to a secondary level, or the choice of the indicators and its monitoring will tend to be biased towards the need of presenting the agreed results, instead of achieving concrete and sustainable results;
- Based on the existing spaces for participation by civil society, including those that involve donors (e.g. Annual reviews and DOs), foster and support the strengthening of

¹² Particularly of general budget support, because it is closely linked to a systematic assessment of performance in many areas including governance.

local actors to demand accountability from the existing governance institutions and actors;

- As part of the alignment process, support the setting up and strengthening of the national M & E systems. In this regard, a good starting point could be the existing good practices sponsored by donors such as PEFA, value for money audits and others, which could be gradually mainstreamed into the local mechanism, combined with the strengthening of the Government and civil society actors to carry out this work regularly. As these processes are mainstreamed into the regular monitoring, governance monitoring would also improve along, and the actors involved (state and non-state) are expected to be more participative in all the monitoring cycle – from the choice of indicators to the use of the monitoring and evaluation to inform policy design as well as the revision and choice of new indicators;
- Continue the already trend of supporting the adoption of governance assessment tools that promote ownership, with particular emphasis on the APRM, in aid development decisions (particularly funding).

2. Parliament

In relation to the above discussion the study came to the conclusion that the Mozambique Parliament has at its disposal several crucial instruments that oversee the executive and at the same time represent the citizenry.

However a need was identified for Parliament and MPs to widen their horizon on policy oversight. The effectiveness of public policy analysis is a process that should take into account all policy documents adopted by the implementer (i.e. the executive). Basing governance oversight only on the documents (e.g. annual social and economic plan and budget) approved by the oversight institution (e.g. Assembly of the Republic) does not lead to an effective oversight and does not guarantee that policy results will be attained. In this sense, the Assembly of the Republic should develop more awareness of APRM processes and Plan of Action, PARPA, Sectoral Strategic Plans, Provincial Government Strategic Plans and District Government Strategic Plans to monitor and evaluate governance. This suggests that MPs need more training on these instruments, and that more competent and skilled parliamentary staff are required, if the legislative power is to perform its basic function.

While it is not clear whether Parliament uses information from civil society to oversee Government's governance performance, secondary sources drawn from civil society indicated that information to help the Assembly of the Republic to carry out its functions had been supplied by civil society.

This study shows that International institutions such as the World Bank, Transparency International, Freedom House, Afro Barometer, and the Mo Ibrahim governance index, were not used by the Assembly of the Republic to assess Government's performance in respect of governance.

Although these institutions could penetrate parliamentary debate at committee level through parliamentary research units, this did not happen because, as mentioned above, the Assembly of the Republic had not yet developed in its staff the necessary skills and competencies to advise Members of Parliament. Once again, this suggests that a research

unit should be created, to assess information from these international institutions in order to advise the standing committees.

It is noted that the Assembly of the Republic does sometimes use international and regional conventions drawn from the United Nations, the African Union, SADC and NEPAD, once they have been ratified and adopted by the executive. These conventions help to monitor and evaluate executive governance performance.

3. The African Peer Review Mechanism (APRM)

The African Peer Review Mechanism (APRM) in Mozambique proved to be a participative process. But it has not yet been implemented, and consequently has not been tested.

It consists of a very ambitious review process, one that is demanding both in terms of resources and the competencies required. The APRM's data collection process mechanism is also very expensive, particularly for a country where funds for research activities, and for surveys is not considered a first priority. Most of these activities are undertaken using donor funding. According to the operational document of the APRM in Mozambique, the Government should be able to assume all responsibilities regarding the process of assessment by the end of the project period.

The broad scope of the review process prevents the focus on well-defined aspects of governance; this limits the guidance offered to developing countries in improving the performance of their policies through dissemination of best practice.

The research institutions that contributed to the report acted independently. The process of data collection and the participation of the people in the process ensured the independence of the report. The National Forum was composed of well-respected scholars and reputable researchers. This process generated a competent, independent and impartial review of governance.

The APRM assessment mechanism is supposed to function as a continuous process., consequently the real challenge comes with the next phase: the implementation of the Action Plan and sustaining the whole process in a manner that preserves its independence.

To ensure the understanding and use of Government indicators on APRM, and an effective monitoring of the Programme of Action, a marketing strategy for dissemination has to be taken into consideration.

As stated above ensure the APRM has gone in the direction of ensuring that governance assessment does not sacrifice local ownership and becomes an important element in the policy process. Some donors' willingness to use it as part of their regular governance assessment is a positive trend, one that should be encouraged and consolidated.

4. Decentralisation

During the last years, the decentralisation indicators and targets have been systematically changing. In 2005, the indicators agreed by partners and Government on *the percentage of*

owner revenue, were transferred from central level to the municipalities. In 2006, the indicator was a *set up of criteria to select new municipalities and new management framework (national policy and strategy of decentralisation).* In 2007, 2008 and 2009, both partners and donors agreed as indicators *the percentage of owner revenue in relation to the annual budget per each category of municipalities (village, cities and capital).* Some of these indicators *(national policy and strategy of decentralisation)* were not achieved. The annual changing can mean the existence of some instability of the decentralisation indicators. Efforts need to be made to maintain the stability of the decentralisation indicators for long time. The experience of the process brought up during the last years gave the impression that the process needs more collaboration between the involved partners: donors, Government and civil society. Timeline and flux of information needs to be improved. The evaluators of indicators and targets must bring analyses of the impact the indicators bring at municipal level.

It is also important for donors and partners to safeguard the involvement of members of Parliament and civil society organisations.

Some of the national organisation involved in the monitoring process, used to apply the international indicator to measure the improvement on several sectors. The indicators used by Government to measure decentralisation process have been followed neither by civil society nor by Parliament.

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List of Persons and Institutions Consulted

Abel Mabunda	Former MP (Planning and Budget Committee)
Alcino Moiane	Project Coordinator, Committee on Economic and Social Justice, Christian Council of Mozambique
Alfredo Gamito	Chair, Public Administration, Local Power and Media, Parliament
Álvaro Abrantes	Ministry of Finance
Amorim Pery	Ministry of Planning and Development
António Niquice	MP
Baltazar Fael	Ministry of Planning and Development
Claudio Massingarella	Ministry of Planning and Development
Cristina Matusse	Ministry of Planning and Development
Eneas Comiche	Chair, Planning and Budget Committee, Parliament
Fernando Menete	Mozambique Debt Group
Fotini Antonoupolu	European Commission
Gaspar Moniquela	Ministry of Justice
Ibramgy Magalhães	PIMO
Karin Mettel-Cueva	Embassy of Sweden
Lourenço Sambo	Ministry of Planning and Development
Lucas Chomera	First Deputy Speaker, Parliament
Mac de Tollenaere	Swiss Development Cooperation
Marcelo Mosse	Centre for Public Integrity, CIP
Marcos Juma	Former Third Deputy Speaker of Parliament , PANADE
Massango	Labour Party
Máximo Dias	Former MP, APRM
Rev. Marcos Macamo	General Secretary, Christian Council of Mozambique
Sábera Mussagy	G20
Sandra Diesel	Embassy of Sweden
Silvestre Baessa	IBIS (formerly Mozambique Debt Group)
Virginia Videira	Former Chairperson of the Committee of Plan and Budget; former MP Head of Committees Division, Parliament Secretariat