Emerging and Traditional Donors in the ‘Post-Busan’ Context: Assessing Brazil’s and Finland’s Cooperation Practices in Mozambique

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Emerging and Traditional Donors in the ‘Post-Busan’ Context: Assessing Brazil’s and Finland’s Cooperation Practices in Mozambique

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At the same time as the ‘emerging donors’ have gained relevance in the development cooperation system, they have also challenged established principles of aid. This article compares Brazil’s and Finland’s development cooperation practices in the light of recent global tendencies in the aid architecture. Based on empirical research carried out in Mozambique, Brazil, and Finland, the article gives a detailed review of the institutional and historical settings of each bilateral cooperation. The authors then analyse how two central concepts reinforced during the Busan High Level Forum have been put into practice by a ‘new emerging’ and a ‘traditional Nordic’ donor. For ‘development effectiveness’, the authors found that both countries have been trying to strengthen the role of the private sector in their development policy, although with very different results and emphasis over growth and equity. Concerning ‘democratic ownership’, salient differences were found. While Brazil still emphasises a government-led principle of sovereignty, Finland has embraced a broader interpretation in which development cooperation means working closely not only with public authorities, but also with representative democratic institutions, civil society, the private sector, and the media.

Keywords: development cooperation; development effectiveness; democratic ownership; Brazil; Finland; Mozambique

Introduction

Major shifts are taking place in the aid system as emerging (or middle-income) countries gain relevance as donors. Although they are by no means a new feature in development cooperation, large countries like China, India, and Brazil have acquired a new status as development partners. Not only did their aid volumes increase rapidly, but they have also been challenging the established aid architecture. Emerging countries do not automatically endorse the Development Assistance Committee (DAC) guidelines settled by developed nations, and have been reinforcing their South–South development cooperation (SSDC) discourse, in an effort to distinguish themselves from North–South aid and to keep their space of manoeuvre in
operationalising their cooperation. This scenario was recognised by traditional donors during the Busan 4th High Level Forum (HLF) on Aid Effectiveness, in 2011, which advocates the inclusion of new actors on the basis of ‘differential commitments’ (para 36), once ‘the nature, modalities and responsibilities that apply to South-South cooperation differ from those that apply to North-South cooperation’ (para 2, OECD-DAC, 2011).

One of the issues addressed in the SSDC discourse concerns a move from the outcomes of aid to the effectiveness of the overall development process, which incorporates both external and internal factors, and has implications for non-aid sectors (Kindornay, 2011). According to some commentators, the Busan HLF represented a shift from ‘aid’ to ‘development effectiveness’ by placing once again the broader context of economic growth – that is, structural change and industrial-based growth – as the key objective of ‘development’ (Kharas et al., 2011; Mawdsley, 2012; Mawdsley et al., 2014). Focus on development effectiveness highlights stronger links between official development assistance (ODA) and other types of development financing, such as international trade, foreign direct investment (FDI), and remittances from migrants. The way the different aspects can be positively linked has been subject to long-term debate within development discourse between those supporting an ‘instrumentalist’ approach and those insisting on altruistic support to partner countries’ own development efforts. While instrumentalist objectives have been evident in aid relationships ever since the Marshall Plan in the late 1940s, according to DAC guidelines, pursuing economic self-interests through development cooperation is likely to reduce its value and/or relevance, especially if aid is tied to procurements from the donor country (Koponen et al., 2012; Siitonen, 2005). The principles of the South–South ‘developmentalist’ view, on the other hand, were registered in the Final Communiqué of the Asian–African conference of Bandung in 1955, which calls for economic cooperation (not aid) among the participating countries on the basis of mutual interest, respect for national sovereignty, and abstention from interference in the internal affairs of another country (Final Communiqué, 2012).

In recent years, Brazil has been a distinguished voice (and one could say a louder voice) among emerging donors in stressing that SSDC is different from traditional North–South aid. While China and India tend to play behind the scenes, Brazilian delegates are rather assertive, having claimed to represent ‘genuine’ South–South cooperation in Busan (Mawdsley et al., 2014). Already in the previous HLF, in 2008, Brazilian diplomats managed to include a critical paragraph to the Accra Agenda for Action, emphasising that SSDC is guided by its own set of principles, such as ‘non-interference in internal affairs, equality among developing partners and respect for their independence, national sovereignty’ (OECD-DAC, 2008, p. 18). Brazil emphatically opposes political or economic conditionality, making indirect references against tied aid (or the obligation that recipient countries use services and products from donors) and arguing that its cooperation is ‘unlinked to commercial interests’ (ABC, 2010; 2011). Nonetheless, policy-makers also suggest that programmes
should favour an ‘integrated approach’, often opening the door for mixing technical cooperation with private investment flows.

The message of Busan is reflected differently in the development policies of the Nordic countries, such as Finland, which tend to emphasise ‘good governance’ and ‘democratic ownership’ as the key principles. While the agreement defines ‘democratic ownership’ as a shared common principle among the partners, the SSDC discourse tends to highlight partner country government leadership over its development policies and strategies, whereas ‘democratic ownership’, promoted by the Nordics, is a broader concept encompassing the whole society. Its basic principle is that governments should respond to the needs of the citizens, and the citizens should be able to engage in policy-making processes, and monitoring the effective implementation of these policies (Eyben, 2010).

In its development policy orientation, Finland has followed closely the policy delineations of key international organisations, notably the OECD-DAC guidelines, the UN Millennium Declaration and related development goals (MDGs), and the macroeconomic orientations of the Bretton Woods Institutions (BWIs). Finland’s main reference group has traditionally been the Nordic countries, but since 1995 the EU has become the main reference group, in particular the Nordic + sub-group of donor countries1 (Koponen et al., 2012). Within the DAC context, Finland is a small donor with relatively high aid effort (well above DAC average, calculated as proportion of gross national income), but in the Nordic + reference group it is the weakest member in terms of both aid volume and effort (AidFlows, 2013). Finland subscribes to the principles for international development policy agreed upon in the key HLF resolutions, which emphasise partner country ownership, the alignment of aid with partner country priorities and systems, donor cooperation and harmonisation, development results, and mutual accountability (MFA, 2012a). Compatibility with the adopted principles is ensured by effective centralisation of development cooperation under one institution, the Ministry of Foreign Affairs (MFA).

The objective of this article is to draw some lines of comparison between Brazil’s and Finland’s cooperation in the light of recent global tendencies in aid architecture. What are the main similarities and differences between a ‘new emerging’ and a ‘traditional Nordic’ donor in terms of their development cooperation practices? The study is empirically grounded in Mozambique, a major development partner for both Brazil and Finland, which is often presented as model case of a rapidly growing poor African economy. A total of 37 semi-structured interviews were conducted by the authors with representatives of the respective governments, NGOs, private sector and programme staff in Maputo, Nampula, Brasília, and Helsinki from March 2013 to April 2014. The interviews were combined with project documents and evaluations,

1The Nordic + group is an informal collective of like-minded donors consisting of Denmark, Finland, Ireland, Norway, Sweden, the UK, and the Netherlands. All except Norway are members of the EU.
as well as relevant research literature. Written documents about Finnish development cooperation were relatively comprehensive and easily accessible, whereas for Brazil the authors had to rely more extensively on interviews.

Besides this introduction, this article has four sections. In what follows we draw a historical overview of Brazil’s and Finland’s cooperation and economic relations with Mozambique and the institutional setting in which they are embedded. Next we discuss how the two countries are dealing with the global trend towards ‘development effectiveness’, especially what concerns the role of the private sector and the blending of multiple instruments. We then compare their approach towards civil society participation and the ideal of democratic ownership. The last section summarises our main findings.

Historical and institutional setting of Brazil’s and Finland’s cooperation with Mozambique

Mozambique gained independence from Portugal after a prolonged armed struggle in 1975, and adopted a socialist system and single-party regime. However, the combination of civil war, natural disasters, and failed policies resulted in economic collapse and subsequent change in economic and political orientation (Eronen et al., 2007; Torvinen, 2013). A new constitution, which guaranteed multiparty democracy and separation of powers, was passed in 1991, and the civil war ended one year later (Pitcher, 2002). Since then, economic growth has been favourable and the average annual growth rate has been above 7 per cent (World Bank, 2012). However, after a promising start, progress in poverty alleviation has dwindled away: the share of those living in poverty fell from 69 per cent in 1996 to 54 per cent in 2003, but since then poverty levels have stagnated (Torvinen, 2013).

During the first decade of independence Mozambique’s international relations were directed mainly to other socialist countries, complemented with some Nordic development assistance (Pitcher, 2002). However, after the government accepted the conditions laid out by the BWIs in 1984, aid from the West increased rapidly. The conditionality of aid was reinforced in 1999, when the government passed the first poverty reduction strategy paper (PRSP). The share of ODA in Mozambique’s national income was above 20 per cent during 2007–2010, but dropped to 16 per cent in 2011. In terms of volume it was on average approximately €1.5 billion per year. The largest donors are the USA, the IDA, and the EU, followed by the larger members of the Nordic+ group (AidFlows, 2013).

Mozambique’s decreasing dependence on aid from the DAC countries achieved during the last years derives from recent discoveries in coal and natural gas. At the same time economic and development cooperation with emerging economies [in particular the BRICS (Brazil, Russia, India, China, and South Africa) countries] has increased rapidly, although it is not possible to get reliable information about the volume (Manning and Malbrough, 2012; Torvinen, 2013). The changing situation is
also reflected in the government’s relationship with traditional Western donors, who feel they have lost influence while policy dialogue – which provided a key justification for programme aid – is deteriorating (interview with senior MFA staff on 9 May 2013).

Institutional and economic settings of Brazilian development cooperation

The recent effort to strengthen commercial and investment relations with Africa is not a novelty in Brazil’s external relations. Whenever Brazilian foreign policy tends towards ‘autonomy through diversification’, or towards the search for South–South alliances that may reduce North–South asymmetries, Africa – and the lusophone countries in particular – is back to Brazil’s priorities (Vigevani and Cepaluni, 2007). This was the case throughout the 1970s, the ‘golden age’ of African foreign policy in Brazil, when Brazilian government recognised the independence of lusophone Africa even before Portugal (Saraiva, 2002). After a pause of more than two decades, the quest for diversification has dominated Brazilian foreign policy again, being a strong characteristic of the successive Workers’ Party presidencies that started with Lula in 2003.

The novelty of the current approach towards Africa lies in development cooperation, as Brazil gently switches position from a recipient to a provider of development assistance. Brazilian social policies are often propelled as examples to be followed, and the country tends to be portrayed as a successful agricultural powerhouse by mainstream commentators (Leite, 2012). Overall, Brazil has been pictured as a much more ‘positive’ emerging donor than China2 (e.g. Sotero, 2009; Stolte, 2012; White, 2010). Part of this brighter image also reflects the country’s willingness to establish partnerships with traditional donors. Brazil has been a key supporter of trilateral arrangements, a Northern initiative to engage with emerging countries in their cooperation efforts. China, in flat opposition, is well known for its reluctance to form this type of partnership (McEwan and Mawdsley, 2012).

Some commentators critically argue that Brazilian success stories are rather exaggerated, and are being told in a setting marked by the Chinese protagonist presence in Africa (Leite, 2012; McEwan and Mawdsley, 2012). Indeed, as a country that is building up its international development cooperation system, Brazil faces numerous challenges with regard to transparency, monitoring, coordination, and civil society participation. The country started to publish an annual account of its cooperation data in 2011 (IPEA, 2011), but the lack of information on qualitative project performance and impacts is still the rule. Fragmentation is another key characteristic. In 2010, a total of 170 federal government organs were responsible for the implementation of programmes, often with their own cooperation agenda and with relevant coordination gaps

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2Although some recent cases strongly challenge this view, such as the accusation against Odebrecht for using Brazilian workers in conditions approaching forced labour in construction sites in Angola (BBC Brasil 18 June 2014).
(Ayllón and Leite, 2010; IPEA, 2012). The Brazilian Agency for Cooperation (ABC), located within the MFA, is officially responsible for coordination, but in practice several cooperation projects go on with very limited or without ABC’s supervision. Although the agency was created in 1987, it has a budget of only 10 per cent of the estimated national ODA, and limited mandate and staff (Cabral and Weinstock, 2010). Finally, Brazilian NGOs and social movements have been claiming that there is no ‘democratic appropriation’ of Brazilian cooperation as it ‘does not foresee social participation either in the design, implementation, monitoring and/or evaluation of actions’ (Consea, 2013, p. 7).

Despite all the limitations of a newcomer, Brazilian cooperation effort did grow fast during Lula’s government (2003–2010). The country’s total development cooperation reached €696 million in 2010, 91 per cent more than a year before (IPEA, 2012), roughly equivalent to small traditional donors such as Finland. There are still no official data available for the following Workers’ Party presidency, headed by Dilma Rousseff, but she is publicly known for being much less enthusiastic about development cooperation, and ABC’s budget has been kept frozen (interview with ABC staff on 18 February 2013).

Mozambique is well inserted in the general institutional setting outlined above. The country has been among the top three African recipients of Brazilian cooperation, and there were around 25 projects/programmes under implementation in 2014, mostly in agriculture, health, and education. There is no systematic account of the total amount of cooperation assistance received by Mozambique, as ABC annual disbursements reflect only technical cooperation, thus excluding humanitarian and educational modalities and disbursements from other governmental bodies. Nevertheless, they point to a growing trend during Lula’s second mandate, when ABC disbursements to Mozambique went from only €67,000 in 2007 to €2.7 million in 2011 (Figure 1).

Far bigger than aid, Brazilian investments in Mozambique have boomed in recent years, in sharp contrast with Finland. In 2009, Brazil became the largest investor in Mozambique, taking the place traditionally occupied by Portugal or South Africa, having invested €283 million, or 42 per cent of total Mozambican FDI influx. For the following three consecutive years, Brazil kept the first place, and its FDI volumes increased to €1 billion in 2012, representing 25 per cent of the total (Bank of Mozambique, [2009] 2012). These volumes have been pulled by the Moatize coal mine, one of the country’s major extractive mega-projects. Operated by Brazilian mining company Vale, Moatize, and its related infrastructure projects also strongly influence trade. Brazilian exports to Mozambique became more diversified, ranging from locomotives and railway equipment to poultry and wheat, with atypical concentration on high-value-added products if compared to its average exports. Imports from Mozambique, on the other hand, practically represent one single product since 2012: coal (MDIC, 2014). In the composition of both exports and imports, the effects of Vale are visible.
Figure 1: Brazilian cooperation and trade relations with Mozambique, 2007–2013 (€ million)

Notes: ABC reflects only the Brazilian Cooperation Agency’s disbursements for technical cooperation, excluding humanitarian, educational, and scientific modalities and disbursements from other Brazilian government bodies.
Source: MDIC (2014) for data on trade; personal correspondence with ABC for data on cooperation.

Finland’s development cooperation with Mozambique in the broader context

Finland’s early involvement in international development cooperation, which started in the late 1950s, was conditioned by its neutral stand in the Cold War context. Initially it was largely motivated by foreign policy objectives, particularly the need to establish Finland’s status as a Western democracy, albeit non-aligned in terms of the East–West confrontation. During the first decade it operated through the UN system and joint Nordic projects, but in 1965 the first bilateral programmes started. The international context changed in 1995 when Finland joined the EU, and since then it has been the main reference group (Siitonen, 2005). In general, Finnish development policies have been relatively consistent, although during the last three governments the respective ministers have taken a more active role in policy formulation (Koponen et al., 2012). As opposed to Brazil, in Finland development policy has been effectively coordinated by the MFA since 1965 (Salmi and Mikkola, 2007; Siitonen, 2005), being currently more centralised than in most DAC member countries. The MFA is responsible for managing approximately 74 per cent of all ODA-eligible funds; the remaining part includes Finland’s contribution to EU’s development cooperation, refugee costs, and concessional credits (OECD-DAC, 2012).
Particularly since the 1980s, Finnish development cooperation policy has been the focus of active debate in the Parliament and public media, but corporatist interests were represented already in committees established in the early 1960s. A formal advisory body composed of representatives from political parties, development NGOs, the private sector, academia, agriculture, and trade unions, and employers’ organisations was created in 1973 (Siitonen, 2005). Known as the Development Policy Committee since 2003, its current mandate is to monitor the level of public funding and the quality and effectiveness of development cooperation. The Parliament also has an active role, as it approves the annual budget for development cooperation and monitors progress through the work of several committees based on annual reports by MFA (Salmi and Mikkola, 2007).

Since 1976, Finnish aid to least developed countries (LDCs) has in principle been in the form of grants (Siitonen, 2005), and in the 2007 programme, Finland adopted a policy of using country systems as the first option for aid delivery (MFA, 2007a). In bilateral aid, Finland has increasingly concentrated on social infrastructure and services, providing large shares of aid to support governance and civil society, water and sanitation, and education (OECD-DAC, 2012). Finland places strong emphasis on democratic ownership to support the equal right of all people to influence and participate in national development processes. In this context, civil society organisations (CSOs) have an important role to play in complementing bilateral programmes. The MFA funds CSOs through a range of mechanisms: project support, partnership agreements, and local funds administered by the embassy (MFA, 2012a). Finland has also been a strong proponent of the aid for trade initiative, primarily through building productive capacity in the forest and agriculture sectors. According to a recent DAC evaluation, Finland ranks among the better performing EU countries in terms of implementing the Paris Declaration commitments (OECD-DAC, 2012).

Finnish development cooperation with Mozambique started in 1977 with joint Nordic projects to support agriculture and transport infrastructure. A bilateral agreement was signed in 1984, and three years later Mozambique became one of Finland’s long-term partner countries (Soil and Water, 2002, pp. 23–34). In addition to infrastructure, during the first two decades Finland’s bilateral cooperation focused on health, education, environment, and forestry. Since then rural development and science, technology, and innovation (STI) have emerged as new sectors (MFA, 2013a). The main projects include support for rural development in Zambezi Province (PRODEZA I-II, 2006–2015, planned MFA contribution €11 million), support to implementation of the national forest programme (SUNAFOP, 2009–2014, €11.45 million), and support to realisation of Mozambique’s national STI strategy (STIFIMO, 2010–2014, €22 million).

Finland also gives general budget support (GBS) and participates in sector programmes. During 2000–2011 Finland gave sector budget support and participated in joint funds in health (€42 million), education (€36 million), and agriculture and forest sectors (€28 million). The annual volume of GBS increased gradually from €3 million in 2003 to €7 million in 2008, and remained on that level until 2012.
Figure 2: Finnish ODA and trade with Mozambique, 2007–2012 (€ million)

Note: ODA reflects actual transfers, excluding humanitarian aid and payment through NGOs. Source: MFA (2013b, p. 82); Finnish Customs (2013).

(MFA, 2012b). Figure 2 shows development of actual transfers of Finnish ODA to Mozambique in the period 2007–2012. It should be noted that implementation of PRODEZA II and STIFIMO projects has been very slow, and only about one quarter of the budgets had been used by early 2013 (EPRD, 2013; Stage et al., 2013). Support to the forest sector was discontinued in 2012 due to misuse of funds (MFA, 2013a), except for the forest research component (FORECAS, 2012–2014, €975,000) implemented by the Finnish Forest Research Institute.

In the 2009 country negotiations, Finland agreed to continue programme cooperation while simultaneously increasing project cooperation. During 2007–2011 programme support constituted approximately 90 per cent of Finnish ODA to Mozambique, but in 2012 it decreased to 70 per cent. The plan is to continue budget support to the education sector on the current level, while GBS will decrease gradually whereas support to human rights and governance will be increased. Support to agriculture will continue through a project implemented by a national NGO, which was a key partner in PRODEZA (MFA, 2013a; interview with MFA staff on 8 April 2014).

Despite some efforts to promote trade between Finland and Mozambique, its volume has remained low. Between 1993 and 2002 it consisted almost exclusively of Finnish exports to Mozambique, but during the last decade there have been some relatively large one-off-type imports, such as nickel concentrate (€66 million) in 2010. Imports to Finland are typically agricultural products, while exports include electronics, other industrial products, and fertilisers (MFA, 2007b; 2009; National Board of Customs, 2011). Total value of trade was approximately €6 million in 2002–2007, but during 2008–2012 it increased to €130 million, half of which consisted of the nickel
imports (MFA, 2009; Figure 2). There are some signs that the FDI boom in the mining and energy sectors may contribute to increased exports from Finland. In 2013 some major export contracts were already delivered, including a large gas fuelled power plant valued at €138 million (Wärtsilä Corporation, 2013).

Development effectiveness and the ‘blending’ of aid and investments

While development effectiveness was endorsed in the Busan HLF outcome document, there is no international consensus on what the concept entails or its implications for aid policy and practice. Usually it is understood to refer to overall development outcomes that result from both aid and non-aid activities, such as trade and investment, but different development actors have formulated the concept differently in their development policies and programmes (Kindornay, 2011).

From a historical perspective, the shift from aid to development effectiveness reflects the most recent change of emphasis in the global development discourse, which has tended to oscillate between growth and poverty alleviation as the main objectives. From the early development narratives focusing on modernisation and subsequently on basic needs – interpreted differently in liberal-democratic market and state-socialist economies – the main change introduced by the post-Cold War context is the elevation of liberal-democratic reforms into de facto condition for international development cooperation funding. But the wave motion continues: the first phase, known as the ‘Washington Consensus’, focused on privatisation, establishment of free markets, and drastic reduction of public intervention and expenditure, while the following phase focused on poverty reduction and good governance (Torvinen, 2013). Now there seems to be a new trend (or maybe an attempt to create a trend) to return to economic growth as the key objective, although at this time the role of market-based policy reforms and macroeconomic adjustments are kept as tenants.

The SSDC discourse tends to portray South–South economic relations as an essentially equal ‘win–win’ relationship. However, according to DAC policy guidelines the blending of aid and economic interests of a nation is considered a problem when aid is tied to procurements from the donor country or special terms for investments, for example. In practice, it remains a line drawn in the sand: while promotion of trade and investment is a key task of foreign service, doing it through aid is considered reprehensible. Different attempts to avoid the negative effects of tied aid and still promote some degree of blending can be found in Brazil’s ‘integrated approach’ to development and in Finland’s efforts to create ‘added value’ through its aid in certain periods or programmes, as we discuss in the following subsections.

The ‘integrated approach’ of Brazil

Mixing development assistance with investment flows and trade has been one of the most discussed characteristics of emerging countries as donors. Kragelund (2008;
2011) argues that non-DAC donor aid is often used directly to catalyse its own investment and trade, establishing ‘unclear boundaries’ among these international flows (Kragelund, 2011, p. 604). Mawdsley (2012, p. 135) is more specific on the possible mixes between all these foreign flows. She argues that emerging powers’ behaviour shows a difference between blurring the lines, notably through tied aid, and blending of multiple instruments, which means designing and bringing together aid, investments, and commercial instruments to support a particular programme.

Mawdsley’s distinction is relevant for the Brazilian case. Although Brazilian cooperation is now starting to unveil a couple of cases of tied aid, it is a case in point for blending of multiple instruments. Such distinction seems also to be reflected at the discourse level. On one hand, policy-makers still insist that there are ‘no links between technical cooperation and the search for economic benefits’ in terms of tied aid. On the other hand, an ‘integrated’ approach to aid and investments for development is openly supported by political leaders. In her last visit to Ethiopia, President Rousseff summarised this blending of investments with cooperation by stating that the purpose of Brazil is ‘to make investments, technical cooperation and technological transfers available (…) in the basis of South-South cooperation that assures advancements and mutual profits for both parts’ (Rousseff, 2013, emphasis added).

The major technical cooperation programme in agriculture that Brazil currently develops in Mozambique, ProSAVANA, is designed in such integrated way. ProSAVANA is a 20-year trilateral initiative (with Japan) for the agricultural development of the Nacala Corridor, with a budget of around €26 million for the first eight years (Nogueira and Ollinaho, 2013). The programme aims to rapidly increase productivity of grain and other crops and to establish associated agro-industrial plants. Its expected impacts are rather large as the programme mixes with several private initiatives in the corridor, including with investments from Vale, Brazil’s largest mining company.

The Nacala Corridor blends agricultural technical cooperation support of the Brazilian Agricultural Research Corporation (Embrapa) with infrastructure and industrial investments of Vale and with the attraction of foreign investors into Mozambican agricultural sector. Vale, well known in Mozambique for exploring the Moatize coal mine, is working on the rehabilitation of the railway that crosses the Nacala Corridor, on the export terminal in the sea port of Nacala-à-Velha, and will shortly start exploring the largest phosphate mine in the country, in the very same corridor. The phosphate should be used in a fertiliser factory that can, in the future, supply the agricultural initiatives. Vale was also responsible for sponsoring a first agro-climatic zoning assessing the agricultural potential of different regions in Mozambique in 2009. The study

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3This is the case of More Food International, which provides credit lines for the purchase of Brazilian agriculture machines. The excuse for practising tied aid is that it would be ‘counterproductive’ for Brazilian technicians to transfer technology for machines they are not accustomed to operating (Patriota and Pierri, 2013). See Cabral et al. (2014) for a discussion on Brazilian tied aid in the health sector.
was commissioned by the Brazilian MFA, sponsored by Vale, and executed by a team from FGV Projetos, the same consulting company that has been preparing the Master Plan for ProSAVANA. FGV Projetos has also developed an investment fund to finance agribusiness investors in the Mozambican agriculture. The Nacala Fund has selected 10 Brazilian farmers, each of which should work in cooperation with four medium-sized Mozambican farmers. FGV Projetos presents the Nacala Fund as offering ‘investments with low risk and high return’, once risks should be minimised by a development cooperation programme ‘institutional package’ (Nogueira and Ollinaho, 2013).

The blending of investments and aid was supported by several different interviewees from the Brazilian government. Talking about ProSAVANA, a former director of ABC made clear the centrality of local and foreign investors in the programme:

The three of us, Mozambique, Brazil and Japan, we had discussed that we would stimulate the entrance of investors in a certain point. They would use the knowledge that was being transferred to a great extend with this aim: to transform the Mozambican agriculture into a productive agriculture. It was important that the private sector from the three countries, or who wants to, would enter the project in a certain moment (…). Actually it [the aim] was to transfer applicable knowledge that wouldn’t just stay in the lab. (Phone interview with former ABC director on 4 March 2013)

In the same line, the coordinator of Embrapa in Maputo, the Brazilian public institution responsible for the technological component of ProSAVANA, explained that the Brazilian contribution was to test and transfer first-class technology that would be used by local and foreign investors:

We are testing here the best materials, technologies that make intensive use of inputs, first class technology, mechanized. We believe there will be growing demand for this technology once there is a growing movement of Mozambican, South African, Brazilian, Chinese producers going there and they want to produce with advanced technology, of high productivity (…). Our position is to help Mozambicans because we understand that helping them we will also have gains. We openly talk about building a win-win relationship. (Interview with Embrapa coordinator on 14 March 2013)

He also corroborated what can be seen as a shift from aid effectiveness to development effectiveness, as the private sector and foreign investors are perceived as the main catalysts of development:

What had been happening in Africa in general, the NGOs and all the traditional cooperation, is that they work exactly with the poor (…). It is important that we understand that the vast majority of Mozambicans are subsistence producers. They need a social regard, [they are] a social problem (…). Will there be a rush towards growth and, as you said, the industrial producers will go forward first? Yes, there will. And I hope this will really happen, because they are the ones that will be pulling the process. They will bring the development process that will also benefit the small producers. (Interview with Embrapa coordinator on 14 March 2013)
The Mozambican government has given relevant support to such an integrated approach. Business models that couple foreign investors’ interest in land with local producers (as ProSAVANA intends to do) have been praised as ‘the right model to be followed’ (interview with senior Mozambican government representative on 25 March 2013). In different opportunities, Mozambican officials have made clear that ProSAVANA is part of a larger national strategy based on development corridors. ‘Our expectation with ProSAVANA is to show, in a larger scale, that it is possible to establish a healthy relationship between big and small agricultural producers (...) in order to transform [Mozambican] subsistence producers in commercial producers’ (Interview with senior Mozambican government representative on 25 March 2013).

Although blending is a strong characteristic of emerging donors’ cooperation, this is not to say that all Brazilian aid is marked by an effort to couple with investments. In fact, Brazilian programmes in Mozambique represent a variety of distinct (and often competing) approaches to development. While ProSAVANA represents the green revolution and modernist approach, other programmes emphasise the demand side of agricultural systems, require the involvement of both the Mozambican government and civil society in policy-making and are, by definition, participatory. This is the case with the programmes we will detail in the section on democratic ownership.

‘Finnish value-added’ in Mozambique

Nordic countries – including Finland – are bound by the OECD-DAC norms on ODA, which seek to avoid linking of commercial interests with development assistance, and tied aid in particular. The 2012 evaluation actually criticised Finland for its increase of tied aid (albeit still relatively low), mainly due to increase of concessional credit funding. Aware of the dilemma, the government is exploring new untied instruments to engage with the private sector⁴ (OECD-DAC, 2012).

In Finnish development cooperation, national interests and altruistic motives have been present since the early days, but the emphasis has varied with changes in global development discourse. Typically national interest has been prominent when economic growth has been emphasised. During these periods, the link between ODA and the export of Finnish technology and know-how has been highlighted, while separation of economic interests from aid has been emphasised during poverty-alleviation-oriented periods. In the last decade, national interest has been subsumed under the concept ‘Finnish value-added’ (Koponen et al., 2012; Siitonen, 2005).

In the 2004 policy paper, ‘Finnish value-added’ was given an altruistic content, drawing on Finland’s own (relatively recent) development trajectory from an

⁴One example is the €10 million investment by Finnfund in the international AIG African Infrastructure Fund for projects in the communications and energy sectors in selected countries, including Mozambique (Finnfund, 2014).
agricultural to industrial society, but – different from Brazil – focusing on ‘efficient formulation and implementation of social policy as a necessary complement to economic growth policies’, as recommended by an international evaluation (cf. MFA, 2004; Saasa et al., 2003, p. 17). In practice, the change was reflected in increasing allocations to budget support in selected countries (including Mozambique) as well as a shift in focus from economic to social infrastructure, governance, and civil society (Koponen et al., 2012). Along with the growing programme aid in health and education, rural grassroots development and decentralisation were supported in Mozambique through PRODEZA.

During the next government, the concept was interpreted to mean focusing aid on sectors that presented opportunities to utilise Finnish technology and expertise. ‘Aid for trade’ was used to promote the export of Finnish know-how under thematic cooperation clusters such as agriculture, forestry, and STI – the last mentioned reflecting Finland’s relative strength in ICT (information and communications technology) (Koponen et al., 2012; MFA, 2007a). Subsequently Finnish aid for trade disbursements increased more than threefold between 2006 and 2010 (OECD-DAC, 2012). In Mozambique, the strategy was reflected in continuing support to forestry (SUNAFOP) and in a new initiative to support STI (STIFIMO).

In the 2012 development programme, the altruistic emphasis was again highlighted, while the economic objective of Finnish aid was defined as ‘inclusive green economy’, which sought to promote employment, human well-being, and social equality on a sustainable basis (MFA, 2012a). With the extension of PRODEZA and a new NGO-implemented rural development project starting, Finland’s ODA to Mozambique was by 2014 focused on education, grassroots rural development, and governance (interview with MFA staff on 8 April 2014). However, according to the country strategy, it will ‘continue to support the Finnish private sector in establishing and maintaining commercial relations through available cooperation instruments’ (MFA, 2013a, p. 19).

During the 2007–2012 period, various channels were used to support forest industries, including the Nordic Development Fund for rehabilitation of timber processing industries and PRODEZA for feasibility studies on forest plantations. The Finnish ambassador even took a delegation of Mozambican officials to visit Finland’s forest industries in 2007 (Karani, 2010). As a result, a major Finnish pulp and paper producer decided to invest in plantation forestry in Mozambique in the context of a project supported by the USA (Technoserve, 2014). The option of building a large-scale pulp mill was also studied by the same company but abandoned due to perceived high country risk (interview with senior MFA staff on 17 December 2013). Also Finnpartnership, which provides advisory services and business development financing to Finnish companies in developing countries, has supported some activities in Mozambique. However, as revealed in an e-mail to one of the authors from Suvi Lähdevuori of Finnpartnership on March 18, 2014, with grants amounting to only €722,435 over eight years, the activities in Mozambique remain modest.
At least some high-level representatives of the Mozambican government believe in ‘Finnish value-added’ in certain areas, such as forestry (interview with senior Mozambican government representative on 13 May 2013). However, while the sector programmes in forestry and STI, as well as PRODEZA, were in line with the 2007 thematic clusters, they have not involved substantial Finnish exports (interviews with senior MFA staff on 17 December 2013 and international technical adviser (TA) on 29 December 2013).

Despite explicit interest in advanced Finnish technology in ICT expressed by high-level Mozambican counterparts, the midterm review of STIFIMO (EPRD, 2013), as well as some senior project staff (interview with international TA on 13 April 2014), criticised it for introducing too sophisticated technology. The programme was apparently too ambitious and should have focused more on capacity building within the ministry, which was not able to administer the funds efficiently. Such problems with the level of technology and TA expertise are related to the emphasis on poverty alleviation as the key objective in Finnish development cooperation, which means that the interventions cannot concentrate on the very narrow modern sector (cf. the approach of PRO-SAVANA), where adequate human and technical capacity for using the latest technology effectively can be found. Particularly in rural areas, where most of the poor live, the level of education is very low (interview with international TA on 29 December 2013; EPRD, 2013). Eventually STIFIMO was closed ahead of time in 2014 due to a lack of concrete results, leaving a large part of the budget unused (interview with international TA on 13 April 2014).

Overall, the implementation rates of the forest and STI interventions, and even PRODEZA 2, have been low (interview with MFA staff on 17 December 2013). In the latter case, this was due to failure to engage local administration in project implementation; for example, the agreed government contribution had not been released by mid-2013. On the other hand, implementation through various NGOs has been fragmented and some of the institutional structures too ambitious (interview with MFA staff on 9 May 2013 and 10 April 2014; Stage et al., 2013). In the case of STIFIMO, the problems arose from a lack of commitment by current (as opposed to initial) high-level counterpart authorities (interview with international TA on 13 April 2014; EPRD, 2013). Lack of strong ownership contributed to delays in the release of funds channelled through government budget, leading to inefficient implementation (EPRD, 2013; Karani, 2010).

As funding for SUNAFOP and STIFIMO was (following Paris Declaration principles) channelled to support the national programmes through government budget, they left little room for blending aid with trade. Lack of such links was also confirmed by programme staff (interview with international TA on 29 December 2013). In project-type support to rural development (PRODEZA), the focus has been mainly on small-scale producers with few links to Finnish commercial interests (interview with senior MFA staff on 17 December 2013). Finnish TA support is administered through consultancy companies, which are selected through open tenders following EU regulations. Most of the leading companies are international, and a large part of the international TA staff is recruited from abroad (interview with senior MFA staff on 17 December
Therefore, while many of the companies involved are based in Finland, the use of Finnish expertise has been relatively insignificant.

**Democratic ownership and civil society participation**

The development of the concept of ownership in official discourse over the last decade provides an important point of reference for the comparison of Brazilian (South–South) and Finnish (North–South) cooperation. Its content has gradually broadened from ownership by the executive branch of government (based on the traditional state sovereignty principle) to ‘democratic ownership’, which recognises the role of representative institutions and civil society within the broader ‘good governance’ agenda. The emphasis on strengthening democratic institutions reflects increasing awareness that instead of focusing on specific externally induced policy instruments such as PRSPs, development partners should help states become both more effective and more accountable to their citizens by strengthening existing institutions that enjoy broad-based legitimacy (Eyben, 2010). This ideal of democratic ownership endorsed in the Busan outcome document recognises that both donor and recipient-country governments should be held accountable by their citizens rather than by external agents (OECD-DAC, 2011).

**Brazil: the Bandung principles revisited**

Democratic ownership is not, however, an ideal endorsed by Brazilian international cooperation. Brazilian foreign policy defends the supremacy of a nation-state sovereignty principle, from which it derives the view that South–South cooperation should never interfere in internal affairs of partner countries, especially avoiding ‘controversial’ contacts with nongovernmental actors. The current Workers’ Party administration is particularly vociferous in defending sovereignty, notably because of its opposition to the structural adjustment package that Brazil was submitted to in the 1980s, perceived as one of the causes for the country’s ‘lost decade’. Human rights and associated issues should, according to Brazilian diplomacy, be promoted through the appropriate forums, such as the Council for Human Rights in Geneva.

In practice, the non-interference in internal affairs has spanned over several aspects of Brazilian cooperation. It implies not only total rejection of macroeconomic and political impositions but also a relevant dissociation from recipient countries’ civil society, in a context marked by limited accountability and restricted flow of information. According to Cabral et al. (2014, p. 196), ‘Brazilian cooperation is primarily concerned with quick gains and strengthening bilateral relations (with recipient-country governments), and less with results assessment, cross-donor coordination or indeed engagement with non-state actors.’ There is even some discretion while promoting socioeconomic impact analysis for programmes once they can be considered interference with the recipient country’s development strategy. As a diplomat from the Brazilian embassy in Maputo summarised:
There is already a development plan for Mozambique, and Brazil contributes to it and trusts that the national government will structure its internal policies aiming at development. Future impact analysis may threaten the other side – it implies a certain conception of how internal policies should be. This is the role of the Mozambican government, not of the Brazilian government. We should not threat them childlike. Otherwise we will project into the country a certain model x or y, but it is the county itself that should choose its direction. (Interview with Brazilian diplomat in Maputo on 18 October 2013)

Mozambican civil society claims for involvement in development cooperation and resistance against certain programmes are among the most visible and recent features of the Brazilian cooperation landscape. For the first time in the history of Mozambique, 23 national and 42 international civil society organisations addressed in 2013 an open to their own president and to donors’ (Brazil’s and Japan’s) heads of state, demanding the ‘immediate suspension’ of all activities of a development programme, ProSAVANA. The letter accuses ProSAVANA of ‘irregularities in the alleged process of public consultation and participation; serious and imminent threat of usurpation of rural populations’ lands and forced removal of communities from areas that they currently occupy’ (Open Letter, 2013).

Such resistance is fuelled by at least two features associated with Mozambican–Brazilian relations. First, Vale’s presence in Mozambique has generated several conflicts with the local population due to forced resettlement and poor living conditions in the resettled communities (Human Rights Watch, 2013). Vale’s various investments in the Nacala Corridor linked to ProSAVANA tend to fuel discontent and suspicion over a new wave of human rights abuses. Second, there has been growing cooperation between Mozambican and Brazilian CSOs, and important support is being given by large Brazilian social movements and NGOs. This support has given Mozambican civil society more capacity to respond and more international visibility for its claims.

In Brazil, several NGOs and social movements have been pressuring for the creation of a National Council on Foreign Policy that would bring together different government agencies, academia, social movements, and civil society – somewhat similar to Finnish DRC. For the moment, they gather under the name of GR-RI (Reflection Group on International Relations) and find support from the Workers’ Party administration – which is cautious in its relationship with civil society from recipient countries but generally in favour of strengthening participation of its national civil society in policy making. The council, nevertheless, faces opposition from powerful representatives of the private sector – visible, for instance, in an article signed by a representative of the Federation of Industries of the State of São Paulo and former Brazilian ambassador in Washington who stands against its creation (Barbosa, 2014).

Closer links between civil societies from both sides are engendering some innovative cooperation practices between Brazil and Mozambique. An example is a cooperation project taken forward exclusively by social movements and without involvement of national governments. The Brazilian Movement of Small Farmers (MPA) is supporting the Mozambican National Peasant Union (UNAC) in its effort to build
technical and political knowledge on native seeds. The MPA and UNAC are now running together an experimental field and developing political initiatives in order to disseminate and promote the legality of native seeds (interviews with MPA and UNAC members on 3 April 2013 and 21 October 2013). Another example is a four-year project (2011–2014) financed by the general-secretary of the Brazilian presidency, which links Brazilian and Mozambican civil societies in the same field of native seeds. In this case, national governments of both countries are formally involved. The project focuses on the procedures for identification, multiplication, storage, and use of native seeds as well as the creation of community seed banks (interview with Brazilian technical staff on 5 March 2013).

A third case involving Brazilian cooperation in Mozambique, which gives a central role to civil society is PAA Africa (Purchase from Africa to Africans), a six-and-a-half-year programme (2012–2018) that combines school feeding with direct purchase of agricultural goods from local farmers and technical support for production. Inspired by the Brazilian PAA, the African version presents itself as providing ‘a new perspective’ on agricultural development and food security, replacing the traditional emphasis on technology transfer with an effort to build the ‘social and institutional conditions’ required to ensure food security and the participation of local small farmers in the market. The programme works on both the demand and the supply sides, aiming at food security for school pupils and income generation for small-scale farmers. While ProSAVANA emphasises the transfer of first-class foreign technologies, entrance of foreign investors, and creation of islands of high productivity, PAA Africa stresses ‘building and strengthening existing institutions, production systems and local community and social networks’ (PAA Africa, 2012, p. 3). Civil society participation is presented as one of the key factors for success (interview with PAA staff on 17 December 2013).

What all these programmes with higher levels of participation have in common is that they enjoy support from national civil society but face weak political support from the national and the Brazilian governments, measured in terms of both material and human resources. All three ‘pro-civil society’ programmes mentioned above have very small budgets, a sharp contrast to a programme such as ProSAVANA, with an annual budget an average of 10 times bigger than PAA Africa. PAA Africa in Mozambique had a budget of €370,000 for the first 18 months and one single Brazilian consultant working in the assessment and planning, against, for instance, a dozen Brazilian consultants working exclusively for the elaboration of a Master Plan for ProSAVANA. In the case of the government-financed native seed project, the total budget was only €270,000 for a total period of four years (Nogueira and Ollinaho, 2013).

**Finland: facing the dilemmas of ‘democratic ownership’**

Somewhat different from Brazil, equal distribution of the benefits of growth is an important criterion for Finnish development cooperation. The current country strategy
observes that ‘while strong, the economic growth in Mozambique has not been inclusive’ (MFA, 2013a, p. 21). In this context, some senior representatives of MFA in Mozambique (interviews on 9 May 2013) expressed rather critical views on the agricultural policy adopted by the government, which favours large-scale commercial agriculture over small-scale producers, who are perceived as key to poverty reduction. They were also concerned about increasing inequality, as investments are directed selectively to ‘development corridors’ while excluding large parts of the country. The views are reflected in the Finnish support of rural development implemented mainly in marginal regions and directed to small-scale producers to strengthen food security and enhance value chains (MFA, 2013a).

According to the country strategy, democratic ownership based on state accountability towards its citizens is a key condition for inclusive development. On the other hand, ‘bad governance, corruption and lack of transparency prevent the realisation of social equality, poverty alleviation and, in general, fair distribution of public resources and lead to human rights violations’ (MFA, 2013a, p. 13). As confirmed by a senior representative of the government of Mozambique (interview on 13 May 2013), good governance and transparency are also the objectives of his government; the question is how to pursue them.

The bone of contention is the role of the state, over which there are different views. In the Accra HLF, the focus was on improving the predictability of aid flows and working through recipient-country systems (Mawdsley et al., 2014). Consistent with this approach, a senior international TA staff of a Finnish-funded programme highlighted the role of the state in LDCs:

The state has to be minimally functional: For me this is a central tenant or prerequisite for development. If the state is dysfunctional nothing else can work. Somalia is the extreme example. So in Mozambique’s case, where the state does not function well, it is incumbent upon external partners to give much of their focus to the state. To try to get the state to work properly and to do what it is supposed to do. (Interview with international TA staff on 29 December 2013)

However, while Finland and the other Nordic+ countries have followed the European Court’s guidelines, according to which

the weaknesses [of recipient country] affecting public-finance management at the time of the financing decision do not preclude the launch of a budget aid programme, provided that the will for reform exists and the reforms are deemed to be satisfactory,

the second part of the guideline calls for ‘much more rigorous monitoring of the situation and subsequent development of public financial management in the countries in question’ (Michel, 2008, p. 24).

In addition to mainly technical criteria of the performance assessment framework of the GBS agreement, the conditions include broader ‘underlying principles’ concerning
good governance (Government of Mozambique, 2009). The current assessment by Finnish authorities is rather pessimistic:

A lesson learned from the bilateral forestry project SUNAFOP, closed down because of misuse of funds, is that funding a bilateral project via national systems can be problematic when public financial management in the country is of poor quality. Despite some improvements in public finance management, studies have found that in Mozambique the donor community may have moved to use the national system too early, that is, when the national institutions did not yet have the capacity to handle the high volume and various instruments of donor funding. The weaknesses of the system may lead to misuse of funds. (MFA, 2013a, p. 11)

This view was also supported by a senior representative of a Finnish NGO working in Mozambique, who noted that programme aid is in principle better because project aid is often fragmented and has not contributed to structural change, but

Mozambique is not yet ready to manage this kind of aid so that it will benefit the people – in the current situation of corruption and misuse of funds, who can defend programme aid? I understand that support through small projects has a high administrative cost, but in Mozambique, given current conditions, I would still opt for the small projects. (Interview with Finnish NGO staff on 17 October 2013)

Albeit constitutionally a multiparty democracy, Mozambique has been ruled by one dominant party, Frelimo, since the country became independent under one-party rule in 1975. According to the African Peer Review Mechanism (2010) analysis, Frelimo is again tightening its grip on power, which tends to blur the distinction between the legislature, the executive, and the judiciary. A recent assessment by the Finnish Embassy observed that in this context the prospects for inclusive growth can easily be compromised by the concentration of political and economic powers, with reduced accountability and space for democratic control. This situation can lead to a widening gap between the rich and the poor, increasing political instability and social unrest, for which signs are already visible (Hellstén, 2012; MFA, 2013a).

Based on this assessment, widening democratic participation, respect for human rights, and good governance were defined as key issues in Finland’s country strategy, which states that ‘in the current transitional situation in Mozambique, non-state actors and particularly the Mozambican civil society, including the media, need additional support’, and that ‘efforts will be made to deepen the collaboration with Parliament to enhance transparency and accountability between the state and society at large’ (MFA, 2013a, p. 15). Management of natural resources and related revenues was defined as a particular focus area, where support will be provided through CSOs to help citizens monitor the use of their resources and promote accountability towards them. Another important area is corporate social responsibility, where the objective
is to enhance cooperation between public institutions, CSOs, and private companies in the extractive sector\(^5\) (MFA, 2013a).

Finland supports democratic ownership and good governance through both state and non-state actors. While the main purpose of GBS is to alleviate poverty, it also offers a channel for dialogue with the government to improve governance and accountability, although it is felt that the impact of political dialogue is diminishing. Finland also supports capacity building of Mozambique’s Audit Court to endorse public financial management. Among non-state actors, core support is given to an independent research institute focusing on social sciences and economics (MFA, 2013a). In the future, support to the governance sector will be expanded on both the supply (the executive) and the demand (the legislative and civil society) sides (interview with senior MFA staff on 8 April 2014).

The Finnish government also supports the development cooperation activities of some 10 Finnish NGOs in Mozambique. They work mostly on service delivery (education and health) and rural livelihoods, focusing on vulnerable groups (women, children, persons with deficiencies). In the last few years the annual financing has been approximately €2 million (MFA, 2013a). Kepa, which is the umbrella institution of Finnish development NGOs, represents a particular Finnish modality of cooperation. Although most of its budget comes from the MFA, Kepa is an autonomous organisation. Its principal target group is Finnish decision-makers, but it also supports local civil society in the partner countries (including Mozambique) to influence decision-making in areas the partners define as important. The focus is thus on democratic accountability by empowering civil society actors on both the donor and the recipient sides. A recent example from Mozambique is a seminar on corporate social responsibility focusing on extractive industries, which Kepa prepared jointly with a Mozambican CSO Justiça Ambiental (interview with senior Kepa staff on 17 October 2013). In this context both Finnish and Mozambican civil society representatives emphasised that while the themes for critical action, such as extractive industries, are global, local communities identified them as critical issues to tackle. Advocacy work by foreign NGOs and even other governments is thus perceived by local CSOs as complementary to their own interests and not as imported or imposed from the West (interviews with Mozambican and Finnish CSO representatives on 14 May 2013 and 17 October 2013).

**Conclusion**

Brazilian and Finnish initiatives to promote ‘development effectiveness’ must be placed into the broader context of contemporary development assistance practices and FDI influxes into Africa. We believe that Mawdsley (2012) is right in sustaining that the

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\(^5\)Mozambique recently joined the Extractive Industries Transparency Initiative (EITI), which Finland also supports. The EITI seeks to increase transparency of contracts and revenue in the sector.
mix of aid with investments, which has a stronger focus on productivity and growth if compared to classical ODA practices, is a reflection of emerging countries’ own development strategies. Structural transformation and industrial-based expansion, which have been central elements of big emerging countries’ development, have acquired new legitimacy in the face of China’s spectacular performance in reducing poverty. Nevertheless, there are broader capital expansion tendencies contributing to the recent aid tendencies, marked by growing capital influxes into Africa coming from both emerging and developed nations. Mozambique is a typical example of this trend, as FDI inflows reached €3.8 billion in 2012, surpassing ODA levels for the second consecutive year – while ODA levels have stabilised around €1.5 billion. As FDI is gaining prominence in lower-income countries, the role of aid is also changing. Thus, the shift or possible new trend towards growth and development effectiveness is not simply a reaction to emerging donors’ behaviour. It can also be seen as part of traditional donors’ own interests in supporting their investment efforts into Africa. However, associated imbalances and social costs are, for the moment, being largely neglected.

In the context of Brazilian and Finnish development cooperation with Mozambique, it seems that the emerging donor brings up a more diversified palette of programmes, often with competing understanding of what ‘development’ means and of how it should be pursued. This reflects not only fragmentation and difficulties in coordination but also Brazil’s own social contradictions, economic polarisation, and internal duality in terms of agrarian policies. In Finland development cooperation is less diffuse and effectively constrained by OECD-DAC norms and targets, against which Finnish policy and its implementation are assessed. However, while the administration of ODA is concentrated in one ministry, the relationship between commercial relations and development cooperation remains complicated due to the mixed interests involved.

Despite different rhetoric, both Brazil and Finland are trying in their own ways to strengthen ‘development effectiveness’ in the broad sense. Brazil appears to have been more effective if measured by involvement of the private sector, although impacts on social equity have been underestimated. In fact, Brazilian investment volumes – which arrived before the recent aid offensive – are so big in Mozambique that they end up having a dominant influence on aid. To some extent and in some programmes they end up giving the tone to SSDC in a context marked by absolute lack of coordination, no clear policy orientation and limited democratic participation. In the case of Finland, the focus on poverty alleviation, democratic ownership, and human rights has effectively limited any attempts to integrate commercial interests – which are focused on the relatively isolated modern large-scale production sector – with ODA, albeit the will to do so is there.

Another difference between the countries can be found in their approach towards civil society participation in the recipient country and democratic ownership, where the basic principles are almost opposite. While the official Brazilian foreign policy
subscribes to strict traditional interpretation of the state sovereignty principle, Finland (along with other Nordic+ countries) follows the more open interpretation adopted in Busan, which also embraces civil society and the private sector under the new concept of ‘democratic ownership’. However, the difference is again relative, not absolute. During the last few years, Brazilian civil society has been active in demanding participation and has been pressuring for the creation of a Council on Foreign Policy. These are crucial steps in building a democratic SSDC and – if successful – should help to minimise the negative social effects of a development agenda sometimes dominated by private interests.

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