



UNITED NATIONS  
MOZAMBIQUE



# COMMON COUNTRY ANALYSIS

August 2021



**Josefina, 78 years old, is one of the 730,000 internally displaced by the increased violence in Northern Mozambique. She and her elderly husband are hosted now by their son in Pemba City.** UN Mozambique/Helvisney Cardoso

Cover Photo: © ONU Moçambique - Helvisney Cardoso

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# Executive Summary

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**The United Nations Common Country Analysis (CCA) examines the development challenges and drivers for sustainable development in Mozambique, at a time when the country faces an increased number of complex challenges. With slower economic growth alongside a rapidly increasing population, Mozambique is at crossroads on its path to the 2030 Agenda. Leveraging its vast natural resources and building resilience through a model of inclusive and sustainable growth will be critical to lifting people out of poverty. 60% of the Mozambican population still live in extreme poverty and three out of four Mozambicans are experiencing multidimensional poverty. Increasing inequalities, exclusion, discrimination and fast-paced demographic growth are leading to a heightened demand for basic social services and decent jobs, which if unmet will potentially undermine peace and development efforts. Thus, the policy and programmatic choices made now will be critical for Mozambique's sustainable development and peace trajectory. These choices will determine the lives and opportunities of Mozambican women and men for generations to come.**

The CCA provides the analytical foundation for the United Nations development strategy in Mozambique for 2022-2026, elaborated in the United Nations Sustainable Development Cooperation Framework (UNSDCF), which is developed jointly with the Government of Mozambique. The UNSDCF will be aligned with national priorities outlined in the National Development Strategy 2015-2035, the Five-Year Government Programme 2020-2024 and other relevant policies and programmes. Responding to the commitment of the United Nations 2030 Agenda for Sustainable Development of leaving no one behind (LNOB), this analysis focuses on the needs of the most vulnerable groups in Mozambique.

## THE MOST VULNERABLE GROUPS

In terms of Leave No One Behind, the central tenet of the 2030 Agenda, large cohorts of the

population continue to experience poverty, inequality, discrimination and exclusion. An analysis of Mozambique's progress on the Sustainable Development Goals (SDGs) shows high levels of internal disparities based on geography, gender, age and other characteristics, an indication that vulnerable groups are at serious risk of being left behind. Several groups are found to be structurally disadvantaged and systematically left behind, including people affected by stigma and/or discrimination. These include persons living with HIV (PLHIV), people of different sexual orientation, gender identity, gender expression and sex characteristics, rural women (especially women and girls heads of households and other vulnerabilities), and older people. Children and youth, while constituting two-thirds of the population, are particularly at risk of being left behind, including those living with one or several vulnerability characteristics such as, living in the poorest provinces and women headed households, being deprived of education, experiencing chronic malnutrition, PLHIV, orphans, and girls who are victims of trafficking, early marriages, subject to gender-based violence (GBV) or discriminations in general. Internally displaced persons (IDPs), linked to natural disasters, the escalating conflict in the North and continuous instability in the Centre, are uniquely vulnerable, despite receiving humanitarian support. Refugees living in isolated settlements, as well as urban areas will be affected by economic shocks as well as natural disasters including internal conflicts. People at risk of being left behind have in common a low access to quality basic social services. National systems need to strengthen their data and capacities to effectively target and coordinate comprehensive, multi-sectoral, inclusive growth and poverty alleviation strategies.

A forward-looking diagnostic of Mozambique reveals critical challenges that need to be tackled to advance sustainable development and peace for all Mozambicans.



Displaced women and children in Montepuez District, Cabo Delgado Province. UN Mozambique/Helvisney Cardoso

**TACKLING THE EXTREME  
VULNERABILITY OF  
MOZAMBIQUE TO CLIMATE  
SHOCKS AND BUILDING  
RESILIENCE WILL BE ESSENTIAL  
TO LIFTING HOUSEHOLDS  
OUT OF THE POVERTY TRAP**

As people in Mozambique are extremely vulnerable to climate shocks such as drought, dry spells, strong winds, cyclones and flooding, and climate change is already creating more frequent and severe climate extremes, most households are trapped in chronic poverty and food insecurity. Critical opportunities lie in effective climate action and the sustainable management of natural resources, based on a growth model and economic practices that are environmentally sustainable, with a sound governance framework contributing to an equitable distribution of benefits and scaling up anticipatory action.

**ADVANCING GENDER EQUALITY  
WOULD CONTRIBUTE TO  
INCLUSIVE DEVELOPMENT  
AND ENABLE WOMEN AND  
GIRLS TO REALISE THEIR  
FUNDAMENTAL HUMAN RIGHTS**

While women's political participation is high compared to global and regional standards and the country has ratified most human rights instruments related to the rights of women and girls, structural disempowerment of women, especially of rural women and girls, driven by patriarchal sociocultural norms and practices, weak law enforcement and underfunding of gender-related public policies is blocking the realisation of human potential and sustainable development. This is compounded by vicious and incapacitating cycles of gender discrimination, as exemplified by the high prevalence of child marriage, teenage pregnancies, GBV, high new HIV infection rates for adolescent girls, and lower enrolment rates of girls in primary and secondary education. Discrimination in the economic sphere leads to low incomes and lower access to finance and technology, despite high participation in the labour force. Women make up most of the unskilled workforce, especially in subsistence agriculture. The rate of self-employment in this

sector indicates that their work goes largely unpaid, and many times, it is seen as an extension of their family responsibilities. Women also bear a higher impact of conflict, natural disasters, unplanned human settlements and pandemics. The opportunity lost through unequal participation of women and girls in the social, economic, political and policy life of the country at all levels and in all regions, driven by strong social and cultural norms, represents a significant irrecoverable loss to gross domestic product (GDP) and human development.

### **IGNITING THE POTENTIAL OF MALE AND FEMALE ADOLESCENT AND YOUTH THROUGH EMPOWERMENT**

Mozambique's population is estimated at 30.8 million in 2021, with two-thirds below 25 years of age. With the current growth rates at their highest since Independence, the population is projected to reach 38.7 million by 2030 and 60 million by 2050. As a result, projections indicate that 500,000 people per year will be entering the labour market and annually 139,000 children will reach school age. Rapid population growth, driven by persistent high fertility rates, can exacerbate food insecurity and environmental pressures (e.g., land degradation and deforestation) and poses challenges for an equitable access to services, land and sustainable use of resources. A World Bank study estimates that reducing fertility rates by one child in Mozambique by 2050 could lead to a 31% increase in real GDP per capita. Despite the economic growth of the last decade, the formal labour market continues to be unable to absorb most of these new entrants, creating a risk of social unrest as most youths have little access to economic opportunities or wider social and political spheres. In addition, limited access to quality social services such as health and education hinders children, adolescents and youth's ability, especially for girls and women, to develop their full potential, limiting their opportunities and reproducing intergenerational poverty.

### **INVESTING IN HUMAN CAPITAL AND BASIC SOCIAL SERVICES**

Despite some progress on indicators related to child and maternal health, Mozambique is lagging on most of the SDG targets related to human development. In fact, Mozambique has regressed in the global human development ranking from 180<sup>th</sup> to 181<sup>st</sup> in 2019, with strong disparities among regions. While significant progress was made on national social protection programmes and safety nets, social protection is not yet comprehensive enough to provide

adequate coverage for all and protect an already impoverished population from extreme poverty and recurrent shocks. The health sector has benefitted from important investments over the years, but capacities remain weak, and access to health services remains a challenge for many Mozambicans. HIV remains a major public health concern, causing high morbidity and mortality (Mozambique has the second largest HIV epidemic globally) with women and key populations facing a disproportionate burden. In addition, the COVID-19 pandemic has further strained health service provision, which already lacked sufficient skilled health workers, drugs and supplies. Chronic malnutrition has remained unchanged for the past 15 years and has life-long consequences on human development and productivity. Poor health and chronic malnutrition are also a result of inadequate access to water sanitation and hygiene (WASH) services with over half of the population, mostly in rural areas, having no access to safe sources of drinking water. In rural areas, as high as 90% of the population do not have access to basic hygiene services. Mozambique has one of the lowest school attendance rates in the world with almost two million primary school age children not attending school and only 3.5% of children aged between three and five attend pre-school. Despite good progress made in strengthening normative frameworks, efficiency challenges still plague the education system. As the Mozambique population continues to grow, accommodating an additional 22 million people in 2050 while improving living standards for the total population is a challenge.

### **A NECESSARY ECONOMIC TRANSFORMATION FOR INCLUSIVE AND SUSTAINABLE GROWTH**

Once considered an "African lion" with GDP growth rates of 7-8%, Mozambique has seen its GDP growth slow down since 2016, and in 2020, the economy shrunk by 1.3% as a result of the COVID-19 pandemic. But even in times of growth, the current economic model has not been inclusive and did not result in income increases for most of the population. In fact, GDP per capita is stagnating; inequalities are on the rise, and deprivations in non-monetary factors are estimated to affect three-quarter of the population. Mozambique's vast renewable and non-renewable natural resources, including natural gas, has attracted large Foreign Direct Investments. However, their concentration on mega-projects led to creating a dual economy, where the vibrant mega-projects-based one is disconnected from the rest of the country. The labour market is characterised by informality, low



Community members in Gaza Province, Mozambique, attend and make their way to a visiting mobile clinic led by the Government of Mozambique with support from the Spotlight Initiative. UNFPA/Mbuto Machili

productivity and mismatched skills. As a result, employment is no guarantee of prosperity. The majority of the Mozambican labour force works in the agricultural sector and is self-employed with women disproportionately represented. The high vulnerability of domestic food production to climate shocks and climate change, and weak food systems trap farmers in small scale, low productivity, subsistence agriculture. Labour market opportunities are even more limited for women. The economic transformation requires investing in assets and human capital to increase productivity and resilience to shocks, especially for the agricultural sector.

**REDUCING VULNERABILITIES AND TACKLING MOZAMBIQUE'S PERSISTENT CHRONIC AND ACUTE FOOD INSECURITY**

In 2018, only half of households nationwide had access to a nutritious diet, and more than 10.8 million Mozambicans suffered from severe or moderate chronic food insecurity. On average, 25% of households suffered from acute food insecurity at least once a year related to recurring shocks such as lean season and drought. Cyclones, floods or drought can have sustained negative impacts on livelihoods and capacities to produce food, leading to a drop in per capita food consumption and also provoke a poverty increase. The high exposure

of Mozambique to climate shocks and recurrent climate events such as outbreaks of pests and diseases, droughts, cyclones and floods are among the main causes of food insecurity, along with underdeveloped infrastructure and markets. Unsustainable management of natural resources, weak food systems, low levels of resilience and the escalating conflict in Cabo Delgado are also factors exacerbating food insecurity in the country.

**STRENGTHENING GOVERNANCE AND THE RULE OF LAW AS THE BEDROCK OF STABILITY AND SUSTAINABLE DEVELOPMENT**

After decades of successful development of its constitutional architecture, the expectations of peace consolidation ushered by the signature of the Peace and Reconciliation Agreement between the Government and the largest opposition party, the Mozambique National Resistance (Renamo), in 2019, were overshadowed by the escalation of violence in the province of Cabo Delgado and insecurity in the central region. While the country is party to most regional and international instruments and agreements for the promotion and protection of human rights, they are often weakly enforced, in particular women's rights. The Rule of Law and the separation of powers are still work in progress, and the current bottlenecks in the judiciary system affect economic development,



EPC 22 de Junho temporary accommodation center in Metuge District, Cabo Delgado Delgado. UN Mozambique/Helvisney Cardoso

legal certainty and security, and the realisation of human rights.

### **GROWING VIOLENCE IN THE NORTH RISKS SHATTERING HOPES FOR PEACE AND STABILITY**

The violent attacks carried out by non-state armed groups (NSAG) in the province of Cabo Delgado since 2017 have grown in scale and scope over the years, resulting in over 3,900 fatalities from the conflict, over 700,000 IDPs by March 2021. By December 2020, 171 schools had also been destroyed, and more than one-third of Cabo Delgado's 130 health units were shut down. The province has the lowest Human Development Index score in the country, and the rapid escalation and intensification of the conflict further reinforce poverty and the humanitarian crisis. Increased poverty levels could increase the desperation of families and broaden the support base of the NSAG as grievances are built on decades of developmental neglect and poor service delivery. The discoveries of Africa's third-largest Liquefied Natural Gas reserves in the area had underscored hopes for recovery and growth. But the ongoing violence added to the prevailing distrust that the exploitation would benefit local development are seriously threatening the potential of the LNG reserves for the country.

Thus far, the conflict has been concentrated in six districts of Cabo Delgado province, however, risks of spilling over to neighbouring provinces of Nampula and Niassa exist. In addition, reports increasingly point out the cross-border nature, reinforcing the important role of the Southern African Development Community (SADC) in identifying and implementing a regional solution. The impact of the violence on the human rights of women and girls is already unfolding, while the perspectives of women and young people shaping the response are weak. The challenges and opportunities for Cabo Delgado need to be understood through the lens of the humanitarian-development-peace nexus, thus requiring national and international actors to tackle the root causes of the vulnerabilities through progress on good governance, fighting illicit trafficking, rebuilding trust, and restoring the social contract with improved services to the population. The creation of the Agency for Integrated Development of the North (ADIN) signals a move towards a comprehensive strategy to address issues of fragility in the North in a framework where actions of all actors including the state, local institutions, civil society, development partners and private sector are integrated, coherent and well-coordinated.



# Strengthening the financing for development architecture

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Mozambique has yet to estimate the costs of achieving the SDGs and to adopt a comprehensive strategy to mobilise funds, with multiple concurrent shocks to the economy and environment contributing to a challenging financing landscape for the 2030 Agenda. Tapping into the full range of opportunities of financing for development is especially urgent as 30% of the country's fiscal space is taken up by debt services. Currently Official Development Assistance (ODA) remains the most valuable source of grants to Mozambique, amounting USD1.9 billion in 2019, however, with the right policies in place, the exploitation of the LNG reserves could have a transformational impact on economic and social development.

## THE PATH AHEAD

Mozambique has yet to make significant progress to ensure it is on the path of achieving the SDGs, especially those relate to human development. The Government, civil society, the private sector, development partners and the United Nations will need to invest in transformational approaches to tackle interrelated problems including inclusive and environmentally sustainable growth, climate change, gender inequality, building resilience, and strengthening the social contract. The United Nations family will aim to bring together its collective expertise in a broad range of areas to support the Government to address these complex challenges.



UNIDO's project brings solar energy to smallholder farmers in communities affected by consecutive climatic shocks in Sofala Province, Mozambique. UN Mozambique/Philip Hatcher-Moore

# Introduction

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**The United Nations Common Country Analysis (CCA) of the United Nations Country Team (UNCT) in Mozambique is an independent, impartial, collective, and integrated analysis of the country context. As the first new generation CCA the UNCT in Mozambique formulates since the UN Reform in 2019, it intends to go beyond a situational assessment for programming by adopting a forward-looking, root-cause based, analytical methodology. It provides a strategic diagnostic of the country context and informs the United Nations Sustainable Development Cooperation Framework (UNSDCF) for 2022-2026. It examines progress, gaps, opportunities and bottlenecks in the execution of a country's commitment to achieving the Sustainable Development Goals (SDGs) and the 2030 Agenda; United Nations norms and standards; and the principles of the United Nations Charter. The process engages all three pillars of the United Nations system - Development, Human Rights, Peace and Security - and the Humanitarian system.**

The Republic of Mozambique is a Southern East African low-income country, with an estimated population of 30.8 million in 2021, ranked among the poorest countries in the world with persistent poverty, inequalities and discrimination. In terms of human development, Mozambique's Human Development Index (HDI) has continued to climb over the past decade, from 40.1 in 2010 to 45.6 in 2019 ranking it at 181 out of 189 countries with improvements recorded in all three HDI dimensions of income, education and health.

At 799,380 km<sup>2</sup>, Mozambique is bordered by the Indian Ocean to the east, Tanzania to the north, Malawi and Zambia to the northwest, Zimbabwe to the west, and Eswatini and South Africa to the southwest. The sovereign state is separated from the Comoros, Mayotte and Madagascar by the Mozambique Channel to the east. Its fast-growing population, currently estimated at 30.8 million, is young (two-thirds under 25 years of age), 52% female and primarily rural (63% in 2019). Portuguese is the official language, spoken

by approximately 50% of the population<sup>1</sup> as a second language. Other spoken languages include Makhuwa, Sena, and Swahili.

Mozambique's exposure to climate-related risks is very high, ranked third among the African countries<sup>2</sup>. The exposure is amplified by the geographical characteristics of the country which, in addition to the 2,700 km of coastline, is home to nine shared river basins that cross the territory towards the Indian Ocean, the surface run-off of high-speed river waters due to a sharp drop in altitude from inland to the coast, causing flooding in a short time when high levels of rainfall occur upstream from shared international basins. In addition, 60% of the population live in low-lying coastal areas and most of the population live in rural areas with limited access to electricity, improved drinking water and sanitation and fragile/inadequate housing units.

After decades of peacebuilding and successful development of its constitutional architecture which followed the first Peace Agreement of 1992, the prospects of peace dividends and durable stability in Mozambique are being spoiled by an increasing deterioration of the security context, characterised by reduced capacities in the areas of service provision, of participation and protection.

Gross Domestic Product (GDP) growth has severely slowed, averaging 3% between 2016-2019, with the GDP per capita contracting by an average of 5%. In 2020, the country experienced its first decline in GDP in 28 years. While the slowdown was triggered by the hidden debt crisis, climatic shocks and the COVID-19 pandemic, low labour productivity and high infrastructure deficit remain persistent constraints to growth. This, together with a private sector dominated by capital intensive mega-projects and informal enterprises, have undermined the economy's ability to generate jobs and support poverty reduction. The poverty rate is estimated to have increased from 61.9% in 2019 to 63.3% in 2020 owing to loss of income and employment, pushing an estimated additional one million people into poverty.



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Mozambique reported its first case of Covid-19 on March 22, 2020. Since then, a total of 70,212 positive cases and 823 deaths have been reported (May 10, 2021),<sup>3</sup> and a total of 141,640 vaccine doses have been administered. Crowded and informal settlements areas are the most affected, where the majority of the population live in poor conditions, as well as health workers, market vendors and the transport industry workers.<sup>4</sup> Mozambique's President declared a State of Emergency starting April 1, 2020 and announced a number of measures to contain the spread of Covid-19 including the closure of schools, most industrial plants and commercial facilities and limited at work presence in public institutions, social distancing rules and travel restrictions. This State of Emergency was extended three times. In September, the President declared the State of Calamity.

# 1. Progress towards the 2030 Agenda and the SDGs in Mozambique

## 1.1. GENERAL OVERVIEW

The 2020 SDG Index ranks Mozambique 140 of the 166 countries (a slight decrease from its 136<sup>th</sup> rank in 2019). Estimates indicate that Mozambique performs well in “Responsible Consumption and Production” (SDG12). Some progress is being made regarding “Climate Action” (SDG13), “Good Health and Well-being” (SDG3), “Sustainable Cities and Communities” (SDG11) and “Life Below Water” (SDG14). For all other SDGs, the assessment concludes that Mozambique continues to face challenges, with progress towards meeting the 2030 targets.<sup>5</sup>

The country faces major challenges in achieving the SDGs related to people’s well-being (provision and quality of services, equality, decent work), economy, peace and governance. In three of the planet goals – sustainability, Life Below Water and Life on Land – it faces significant challenges and in one, Climate Change, it faces challenges and only the Responsible Consumption and Production goal is likely to be achieved by 2030.

With an index score of 54.1 in 2020, the country’s performance was one point above the average of

Sub-Saharan countries and two points above the average of lower income countries. Mozambique’s performance is comparable to the African average, but it performed better than its peers on SDG 5 (Gender Equality) and SDG 14 (Life Under Water) and underperformed on SDG 1 (No Poverty).

Figure 2: Aggregate Performance in SDG Trajectory: Mozambique vs. African Average

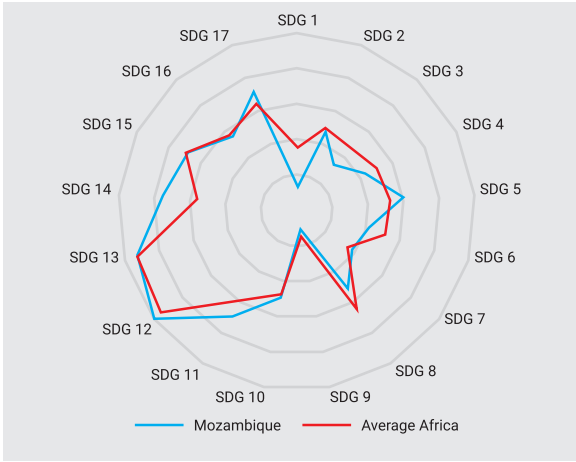


Figure 1: Mozambique’s 2020 assessment - SDG Dashboard and Trends in SDG Trajectory



## 1.2. DEMOGRAPHIC TRENDS

Sustainable development is intrinsically linked to population. The current population dynamics are characteristic of the early stages of a transition towards a demographic dividend and have profound implications for Mozambique's development outcomes and prospects. The Mozambican population has grown by 35% between the last two censuses (2007-2017), the highest growth rate since Independence, and is currently estimated at 30.8 million (2021). Children and youth less than 25 years of age make up two-thirds of the population, while young people aged 15-35 years constitute 34%.<sup>6</sup> Mozambique's fertility rate has decreased but remains high (5.2 children per woman at the last census). Combined with the declining child mortality over the previous two decades, it led to high growth rates and a very young population with a high dependency burden. The growth in the working age population has primarily resulted in the expansion of the informal sector. About 80% of economically active Mozambican adults work for themselves or family relatives (unremunerated), involving no transaction in the formal labour market. Rapidly growing youth populations in settings characterised by poverty and lack of economic opportunities are also associated with a higher probability of social unrest and conflict.<sup>7</sup>

Mozambique's large population will change considerably over the next 30 years both in terms of its size and characteristics. Based on the extrapolation of recent demographic trends, Mozambique's population is projected to reach 38.7 million by 2030 and 60 million by 2050. Over this period, the school age population would increase by 4.2 million children (an average of 139,000 additional school age children every year), and the youth population transitioning from the education system to the labour market (aged 15-24) is expected to increase by 200,000 per year. UNU-WIDER and World Bank studies show that the entrants into the labour force could be up to 500,000 per year.

Mozambique's changing population age structure presents both opportunities and challenges for sustainable development. On the one hand an increase in the proportion in the working age individuals and a decrease in the proportion of children raises the potential for the production of more wealth per capita and higher investment; on the other the increase in the proportion of

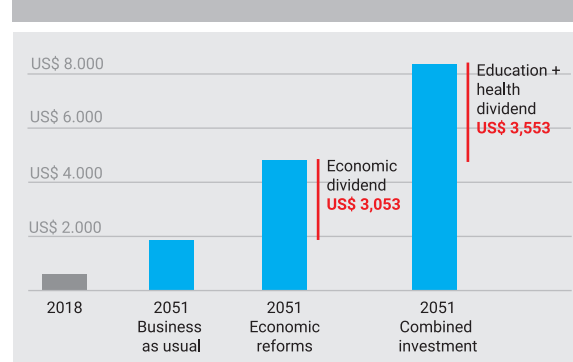
elderly persons raises the possibility of increasing poverty rates and overwhelming social services.

Reaping the demographic dividend requires transformational policy changes focused on sustainable human development and inclusive growth. The country can accelerate its demographic transition and achieve more profound and sustained economic and social dividends. The Ministry of Economy and Finance (MEF) estimates that, by prioritising livelihoods, occupational and employment opportunities, and investing in family planning and social development such as education and health, Mozambique could achieve a GDP per capita exceeding USD 8,000 by 2051. With no such investments, the GDP per capita could remain under USD 2,000 (Figure 1).<sup>8</sup> Similarly, a World Bank's study states that reducing Mozambique's fertility rates by one child by 2050 could lead to a 31% increase in real GDP per capita.<sup>9</sup>

The demographic dividend is, to a large extent, a gender dividend. High fertility is a contributing factor and a consequence of gender inequalities, and it is closely correlated with child marriage, teenage pregnancy and girl school dropout. Significant gains can be achieved from the increase in female labour force participation and eliminating the gender gap in other socio-economic outcomes.<sup>10</sup>

Mozambican communities historically have kinship and trade ties across international borders; many living near borders cross to visit family, attend events or conduct small scale business frequently. In addition, tens of thousands of Mozambicans migrate cyclically across the border (especially to South Africa) to

Figure 3: Projection of GDP per capita (USD) under different policy scenarios<sup>184</sup>



work in mining, commercial agriculture, small businesses, transport, construction, domestic work, informal cross-border trade, sex work and creative industries. As extractive industries and related sectors in Mozambique grow, the

country has also become a receiving country for migrant workers. Available data estimates that the Mozambican migrant population was over 222,000; with the main countries of origin being Malawi, Zimbabwe and South Africa.<sup>11</sup>

### 1.3. LEAVE NO ONE BEHIND

A significant portion of Mozambique’s population faces exclusion due to historic or temporary and intersecting forms of discrimination/vulnerability and institutional and capacity gaps preventing them from advancing their rights and fulfilling their duties, respectively. The poorest 40% of Mozambique’s population only share 11.8% of the country’s income, while the wealthiest 10% share 45.5% of the national income. Variables such as sex, age, location, economic status, gender identity and migratory situation determine the risk of exclusion. Women and girls, children and young people, older people, persons with disabilities (PWD) and IDPs face exacerbated challenges. Due

to structural gender-based discrimination, starting from a young age, women are disproportionately at risk of being left behind. The groups identified face barriers to the enjoyment of their full human rights, accessing basic services and opportunities to develop to their fullest potential and participating in the country’s development path.

The LNOB assessment used five factors - geography, governance, discrimination, socio-economic status, vulnerability to shocks – to identify 20 groups. There are overlaps between the groups, but they are analysed separately for specific vulnerabilities and exclusion factors.

**Table 1: Groups left behind\***

Groups	Approximate number of individuals	Marginalisation factors				
		Discrimination	Geography	Governance	Socio-economic status	Vulnerability to shocks
Asylum-seekers and refugees	28,800 <sup>a</sup>	*		*		*
Children with chronic malnutrition (aged 0-4)	1,955,020 <sup>b</sup>			*	*	*
Food insecure households headed by women	1,309,787 <sup>c</sup>		*	*	*	*
Household headed by children (aged 12-19)	212,639 <sup>d</sup>	*	*	*	*	*
Internally displaced persons	762,674 <sup>e</sup>		*	*	*	*
LGBT+	N/A	*		*	*	
Male youth in northern provinces (aged 15-24)	786,138 <sup>d**</sup>		*	*	*	*
Orphans (aged 0-17)	592,324 <sup>d</sup>	*	*	*	*	*
Out of school children	2,400,00 <sup>f</sup>	*	*	*	*	*
Persons in detention	20,000 <sup>g</sup>	*		*		*
Persons living with HIV	2,200,000 <sup>h</sup>	*		*	*	*
Persons with albinism	30,000 <sup>i</sup>	*		*		*
Persons with disabilities	727,620 <sup>d</sup>	*	*	*	*	*
Rural children in Niassa, Cabo Delgado, Nam-pula and Zambézia provinces (aged 0-19)	6,488,182 <sup>d</sup>	*	*	*	*	*
Rural women (aged 20+ years)	3,981,094 <sup>d</sup>	*	*	*	*	*
Sex workers	220,000 <sup>j</sup>	*		*	*	*
Older persons (aged 60 and above)	1,438,603 <sup>d</sup>	*	*	*	*	*

\* An additional group was identified, People who inject Drugs, which will be included in the next CCA once data is gathered.

\*\* Idem

Groups	Approximate number of individuals	Marginalisation factors				
		Discrimination	Geography	Governance	Socio-economic status	Vulnerability to shocks
Trafficked women and girls	154 <sup>i</sup>			*	*	*
Women exposed to GBV (aged 15-49)	45.5% <sup>m</sup>	*		*	*	*
Young girls (aged 10-19)	3,697,620 <sup>d</sup>	*	*	*	*	*
Transgender people	Not available	*	*	*	*	*
People Who Inject Drugs	13,800 <sup>j</sup>	*	*	*	*	*

Sources:

a) UNHCR (2020) Available here.

b) Calculations from UNICEF (2020) Multidimensional Child Poverty Report in Mozambique & INE (2017) Population census and population projections.

c) Calculations from MGCAS (2016) Gender Profile in Mozambique: Fourth Report in 2020 VNR for Mozambique & INE (2017) Population census.

d) INE (2017) Population census and population projections.

e) IOM (2021) Baseline Assessment Round 9 - December 2020 & Multi-Sectoral Location Assessment - Round 18 (Data collection period: 07 - 11 January 2021).

f) UNESCO (2018) cited in People Paper.

g) Data from Peace Paper.

h) UNAIDS 2020 estimates.

i) Amnesty International estimate. Available here.

j) Annual Key Populations Size Estimation Triangulation Exercise (update), August 2020.

l) INE (2020) Progress Towards Sustainable Development Goals National Voluntary Review: Statistical Annex of Global and National Data on the SDGs.

m) INE & MISAU (2011) Demographic and Health Survey.

The availability of disaggregated data to ensure no one is left behind is suboptimal (see Figure 4). Sex-disaggregated data is not available for 21 out of 42 population-based indicators in Mozambique's National SDG Indicator Framework. Age disaggregation is even less common as it is unavailable for 32 out of 45 indicators. It creates a significant gap in the availability of comprehensive and comparable data on youth and adolescents. The lack of disaggregated data is more common for indicators compiled from

administrative sources. However, in some cases, survey-based indicators (which routinely collect information on sex and age) are not disaggregated by demographic characteristics. Disaggregation by other characteristics (occupation, income, migratory status, education, disability, albinism) and subnational data is only sporadically available or not collected (sexual orientation), making people invisible and depriving them of their basic human rights.

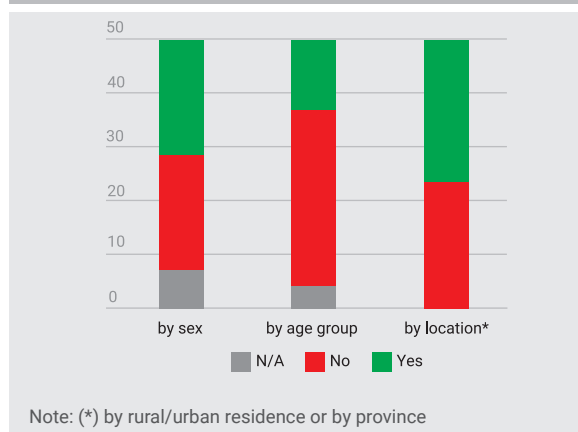
### ASYLUM-SEEKERS AND REFUGEES

Mozambique hosts approximately 28,800 refugees and asylum-seekers, 33% (9,500 individuals) who live in the Maratane settlement in Nampula province, with the remaining 67% residing in urban areas.<sup>12</sup> Some are victims of arbitrary detention and are being held in inhuman conditions with no toilet in their cell, no access to clean drinking water and not provided with sufficient food.<sup>13</sup>

### CHILDREN WITH CHRONIC MALNUTRITION (AGED 0-4)

An estimated 1,955,020 children under five years of age are stunted due to chronic malnutrition, which brings a host of negative consequences for early childhood development. About 50% of malnutrition is associated with poor access to water and sanitation. Only 49.8% and 41.8% of the population have access to safe water and safely managed sanitation respectively.<sup>14</sup> Other causes include food insecurity, conservative cultural habits, unbalanced and non-diversified diet, social and behavioural causes, and food production geared

Figure 4: Availability of disaggregated data by sex, age and location for population-based indicators included in Mozambique's 2020 Voluntary National Review<sup>185</sup>



towards selling rather than self-consumption. Some districts with large volumes of agricultural production, notably in Tete and Nampula provinces, have significant chronic malnutrition rates. Gender relations also affect food distribution among men, women, and children, with an impact on the absorption of nutrients by pregnant women and consequences for the development of the unborn child and after delivery.

Malnutrition results in diseases such as anaemia, diarrhoea, intestinal worms and parasitic infections, affecting the development of human capital with wider social and economic impact. In 2015, chronic malnutrition was associated with 19% of school failure and 26% of infant mortality and a 10% reduction in the workforce. It is also estimated that about 60% of Mozambican adults have suffered from chronic malnutrition in childhood, which bears long-term effects on the productivity of individuals. As a result, it was estimated that chronic malnutrition in Mozambique cost around USD 1.6 billion, equivalent to 11% of the GDP.<sup>15</sup>

#### **FOOD INSECURE HOUSEHOLDS HEADED BY WOMEN**

Food insecure households headed by women, totalling 1,309,787, face the risk of being left further behind due to the severe economic constraints in covering their basic needs.<sup>16</sup> They are impacted by geography, weak infrastructure network, poor access to basic services, education and health. These households often engage in a range of harmful coping mechanisms and rely on an informal safety net from remittance from family living in urban areas, likely to decrease given the impact of Covid-19 measures on the informal market.

#### **HOUSEHOLD HEADED BY CHILDREN (AGED 12-19)**

In Mozambique, 67,000 children were heads of household in 2017, the majority of whom are girls (56%), and more than three-quarters lived in rural areas (78.3%). Within this group, there are 10,155 children aged 12-14. These children are particularly vulnerable, with State support reaching less than 1% reaching these households (1,252 households received cash from the Basic Social Subsidy Program in 2018, decreasing to 987 in 2019 because beneficiaries had turned 18).<sup>17</sup> Social norms limit their ability to influence decision-making, and their geographical isolation further limits the chances of consulting them.

#### **INTERNALLY DISPLACED PERSONS**

In Mozambique, the total number of IDPs is increasing rapidly, with recent figures indicating 762,674 IDPs. Internal displacement is becoming critical following the surge of violence in Cabo Delgado. The breakdown of the 669,256 IDPs as of December 2020 included 45% children, 32% women and 23% men. The most vulnerable are the elderly (1.46% of the IDP population), pregnant women (0.72%), unaccompanied children (0.59%) and PwD (0.08%). The number continues to grow as the conflict intensifies.

The IDPs in northern Mozambique lack the most basic access to food, shelter, water, infrastructure and services. They remain highly vulnerable to further shocks and can only address their most basic needs with support from the humanitarian community. Protection concerns also increased, particularly for women and children. Access by humanitarian agencies and social services to locations taken over by armed groups or militarized by the Government – such as Nangade, Mocímboa da Praia, Muidumbe, Macomia, Meluco and Quissanga – is restricted or impossible, which limits the ability to provide basic services for IDPs, in particular for women and girls. Displaced women and girls living in informal settlements face a higher risk of GBV. HIV prevalence among IDPs is unknown, however Cabo Delgado has an HIV prevalence of 12.0% and approximately 170,000 PLHIV.<sup>18</sup>

Besides this rapidly rising group of displaced to the conflict, there are 93,418 IDPs - 51% children (aged 0-17 years), 43% adults (18-59 years) and 6% elderly (more than 60 years) from the two consecutive tropical cyclones 2019 in the central and northern parts of the country. They are hosted in 73 resettlement sites in central and northern Mozambique and do not have adequate access to durable solutions, basic infrastructure and services.

#### **LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER AND INTERSEX (LGBTI+) PERSONS**

In Mozambique, same sex relationships are not criminalized. However, the system tends to render invisible sexual orientation and gender identity as a feature of human existence and as grounds for violence and discrimination. Reflecting societal prejudice and a lack of policies, LGBTIQ+ people face discrimination and violence at home, at school, at work, within their religious communities, accessing health care services, or seeking



protection from the police. However, there is a lack of detailed data.<sup>19</sup>

No data is collected on sexual orientation and gender identity. However, there are an estimated 63,600 men who have sex with men in Mozambique<sup>20</sup>. There is a complete absence of public policy aimed at recognising the existence of LGBT+ persons and the particular challenges they face. However, the needs of men who have sex with men are increasingly recognised in the HIV response, as currently for the majority of men who have sex with men, HIV treatment and prevention services and HIV-related social and legal protection remain beyond reach.

### **MALE YOUTH IN NORTHERN PROVINCES (AGED 15-24)**

Cabo Delgado has seen the rise of armed attacks disrupting the socio-economic life of the province and leading to massive displacements of people. Young men, frustrated with poor access to basic services, jobs and opportunities are already or are at risk of becoming radicalised. Their grievances are shared by young men in Nampula and Niassa, which are with Cabo Delgado, the three poorest provinces of the country. Young men of the three provinces total 786,138, 66.4% of whom live in rural areas.

### **ORPHANS (AGED 0-17)**

Orphans are also among the most vulnerable in Mozambique, where the number of children who lost both parents enumerated 592,324 (4.2% of children's population) in 2017. Among adolescents (15-19), close to one in ten is an orphan (8.6%). Although the country has a history of close-knit families, in the face of the deteriorating socio-economic circumstances, orphans are at greater risk of exploitative child labour. Girls are also particularly vulnerable, including commercial sex or early marriage. Through the Direct Social Support Program, the support provided by the Government only reached 988 vulnerable and orphan children in 2018.<sup>21</sup>

### **OUT OF SCHOOL CHILDREN**

In Mozambique, 2.4 million children are outside the educational system, limiting their prospects to well-being and decent employment. Children have specific needs, and they experience poverty differently from adults since they cannot make their own decisions on purchasing goods or services they need. Moreover, their childhood experiences depend heavily on the ability of public authorities to deliver quality services, including education, health, clean water and sanitation.

### **PERSONS IN DETENTION**

In Mozambique, it is estimated there are 20,400 persons in detention, and a third of them are defendants in pre-trial detention (33%) in 2019.<sup>22</sup> They live in overcrowded prisons with an estimated total number of beds being 8,000. From a human rights perspective, people face severe limitations to access to quality nutrition, sanitation, prisoner activities, health services and care for vulnerable groups. It impacts prisoners' physical and mental well-being, exacerbating existing problems, generates tension and violence, and increases the risk of transmission of communicable diseases, including Covid-19. HIV prevalence among prisoners is 24% compared to 13.2% in the general populations. Women and youth are even at more risks due to the lack of risk of separated detention facilities by sex and age. Their specific needs are not addressed, including their sexual reproductive rights, parental needs, and educational needs. Recent data suggest that 15% to 20% of persons detained are aged 16 to 21. Furthermore, people living in detention are at an increased risk of radicalisation.

### **PERSONS LIVING WITH HIV**

Among the 2,200,000 PLHIV, the most vulnerable are those who do not access services or are not retained in care. In addition, the first Stigma Index conducted in 2013 found that more than half of PLHIV reported stigma and discrimination.<sup>23</sup> In 2019, 77% of PLHIV knew their status, 60% were on antiretroviral therapy (ART), and 45% were virally suppressed<sup>24</sup>. In Mozambique, 33% of PLHIV who initiate ART are lost to follow-up within 12 months. Among the most vulnerable populations are key populations living with HIV (sex workers, men who have sex with men, people who inject drugs and prisoners, children, adolescent girls and young women).

Mozambique has a revised HIV protective Law 19/2014, which upholds the rights of PLHIV, including in the workplace, but it is yet to be regulated and requires updating to respond to current challenges. Mozambican law also has protection from domestic and sexual violence, and the Penal Code 2015 decriminalizes same sex and selling sex in terms of the revised Penal Code 2015, but these protective laws are not adequately implemented and enforced. Further, PLHIV and people living with tuberculosis (TB), key populations and service providers lack knowledge of the laws and have limited access to legal support services to enforce their rights and hold duty-bearers (law enforcers and health workers) to account for rights violations.



WFP beneficiary community in the Dondo District, Sofala Province, prepares itself for the cultivation of the second agricultural campaign of the year. UN Mozambique/Karel Prinsloo

### PERSONS WITH ALBINISM

A UN Independent Expert on the enjoyment of human rights by people with albinism noted that physical attacks against persons with albinism, including kidnapping and trafficking in body parts, have been reported in most of the provinces of Mozambique. Children tend to make up the majority of victims of attacks and even after their death, graves are pillaged. Persons with albinism are hunted from the cradle to the grave.<sup>25</sup> In addition to being targets of discrimination and violence, people with albinism face vulnerability across social and economic indicators and particularly significant barriers to accessing health and education services.

### PERSONS WITH DISABILITIES

In 2017, 727,620 people in Mozambique suffered from at least one disability, 2.5% females and 2.9% males, which is significantly below international estimates and likely due to the non-adoption of global recommendations on disability statistics. Mozambique has a favourable legal framework such that the country ratified the Convention on the Rights of PwD in 2012; the Constitution establishes equal rights for every citizen; and the Government recently approved its strategy on inclusive education. The prevalence of discriminatory

cultural norms, limited public resources, gaps in the policy framework, lack of comprehensive data, and the growing but still weak capacity of non-governmental organisations impede the effective inclusion of PwD and safeguarding of their human rights.

A significant portion of disabilities are mobility-related (44.6%), and the absence of infrastructure adapted to their needs impairs people's ability to engage with their community. More than one-third of PwD (70.0%) live in rural areas, further hampering their access to services (health, clean water, only available to 35.8% of the rural population and safely managed sanitation only available to 25.3%). Stigmatization and discrimination remain widespread in communities and within families, particularly in rural areas, including superstitious beliefs about disability. As a result, children with disabilities (1.4% of children aged 0-19 years) are often denied education, healthcare and regular social interaction. Besides the physical barriers to education, children with disabilities also face gaps in school support for their particular needs, and the need for specialized healthcare is greater than the offer.

Women and girls with disabilities face considerable GBV risk because of overlapping factors of vulnerability. PwD noted that inadequate information has led to the prevalence of early pregnancy and early marriage among deaf women in Mozambique.<sup>26</sup> Evidence has also shown that PwD are at increased risk for every known risk factor for HIV/AIDS. Similar to the general population, young women with disabilities are disproportionately affected by HIV compared to their male counterparts. HIV positive women with disabilities are also more vulnerable to abandonment than men with disabilities. During humanitarian emergencies, such as the two cyclones or the conflict in Cabo Delgado, adolescents with disabilities faced barriers such as inaccessible information and facilities due to the interruption of services or loss of devices and were often excluded from aid distribution.

#### **RURAL CHILDREN IN NIASSA, CABO DELGADO, NAMPULA AND ZAMBÉZIA (AGED 0-19)**

The 6,488,182 rural children of the four poorest provinces – Niassa, Cabo Delgado, Nampula and Zambézia – are 45 times more likely to be poor than those in Maputo City. Child rights deprivations are especially severe in rural areas – as high as 75% of rural children are deprived in three or more dimensions simultaneously.<sup>27</sup> These range from proper access to sanitation and electricity, clean and accessible water sources, decent housing, education and health. The deprivations are profound and cumulative. Given that the right to participate is linked to other fundamental rights, such as the right to health, quality education and safety and security, experience of the multiple deprivations prevents adolescents from actively participating in society. In Mozambique, adolescents report several barriers to participation including peer pressure, the lack of knowledge about their rights, the lack of intergenerational dialogue and the lack of freedom to do the activities they most like. Furthermore, they reported that at school, an authoritarian teacher-student relationship limits the expression of opinions. At the national level, weak participation of adolescents originating from rural areas, orphaned and children with disabilities has also been reported.

#### **RURAL WOMEN (AGED 20+ YEARS)**

The 3,981,094 rural women of Mozambique face intersectional discrimination, inequalities and exclusion, preventing them from advancing their rights and fulfilling their duties. These range from poverty, lack of access to land, formal credit

sources for rural farmer and banking services (98.2% do not have a bank account, 97.1% do not use mobile financial services and 99.7% do not have bank credit), and access to cell phones (78.2% do not own one). Some 62.4% are illiterate<sup>28</sup>, 84.3% are farmers (the vast majority of which are involved in subsistence agriculture) and one-fifth work 10 hours or more per day (19.2%). Rural women also experience poor access to basic services – water, sanitation and electricity – as explored in the SDG section. Further, the poor are disproportionately impacted by climate-related disasters and unsustainable management of the environment and natural resources manifested in water pollution, soil degradation and deforestation.<sup>29</sup> Although there are opportunities for increased participation in policy formulation through the local consultative councils, there is little evidence that this is happening.

#### **SEX WORKERS**

The 27,300 sex workers in Mozambique experience high levels and multiple forms of violence, ranging from discrimination, stigma, theft and verbal abuse to beatings, sexual violence, including gang rape, and are at high risk of HIV (which affects 22.4% of female sex workers<sup>30</sup>). Transgender sex workers, in particular, report violence by clients. In most cases of violence or exploitation, sex workers do not seek help due to fear of discrimination by health services and the police. In Maputo, 18% of the sex worker sampled experienced violence from the police in the past twelve months. Violence during arrest included forced sex (17%), beatings (12%), and money or condoms being stolen (respectively 6% and 2%).<sup>31</sup>

#### **OLDER PERSONS (THOSE AGED 60 AND ABOVE)**

The 1,438,603 elderly (54.9% women) in Mozambique, representing 4.8% of the population. They rely primarily on traditional systems whereby their families are their primary source of upkeep, care and support. In general, they lack access to social protection and health services, and they are exposed to discrimination, violence and abuse. Their number is projected to reach 1,986,656 in 2030.

#### **TRAFFICKED WOMEN AND GIRLS**

Trafficking in Mozambique affects mostly women, children and girls. From 2016-2019, 154 cases of victims of human trafficking were recorded, of which at least 34 were children, 30 women and four men, and 18 were adults, 17 were women and one male.<sup>32</sup> Human traffickers exploit domestic and foreign victims in Mozambique, and traffickers exploit victims from Mozambique

abroad. Child sex trafficking is of growing concern in the cities of Maputo, Beira, Chimoio, Tete, and Nacala, which have highly mobile populations and large numbers of truck drivers. As workers and economic migrants seek employment in the growing extractive industries in Tete and Cabo Delgado, their arrival could increase the demand for sexual services, potentially including child sex trafficking. Mozambican adults and girls are subjected to forced labour and sex trafficking in South Africa, Eswatini, Angola, Italy, and Portugal. Persons with albinism, including children, are increasingly vulnerable to trafficking for the purpose of organ removal.<sup>33</sup>

Child labour decreased from about 1.1 million children aged 7 to 14 years in employment in 2010 to 663,000 in 2017, with 90% being in rural areas.<sup>34</sup> The use of forced child labour occurs in agriculture, mining, and market vending in rural areas, often with the complicity of family members. To address this problem, Mozambique formulated the National Action Plan to Fight the Worst Forms of Child Labour 2018-2022 involving institutions and organisations dealing with issues related to children, employers' organisations, labour organisations and civil society organisations (CSOs).

### **WOMEN EXPOSED TO GBV**

GBV includes intimate partner violence, forced and/or early marriage, physical assault, sexual assault or psychological violence. In 2011, 36.7% of girls aged 15-19 had experienced physical, sexual or emotional violence by an intimate partner and 45.5% of women and girls aged 15 to 49. Prevalence was higher in urban areas (51.8%) than in rural area (42.7%), and above 53% in Nampula, Manica (which has the highest at 62.5%), Sofala, Inhambane and Maputo City. The lowest was in Niassa with 30.7% and Cabo Delgado with 34.6%. In addition, one in five women and girls aged 15 to 49 had been subjected to sexual violence by persons other than close partners. There are indications that GBV has persisted over time and there is an urgent need to conduct an in-depth gender analysis on the structural causes of gender inequality and discrimination, using sex-disaggregated, gender-sensitive data, and assessing women's empowerment.

### **YOUNG GIRLS (AGED 10-19 YEARS)**

There are 3,697,620 adolescent girls in Mozambique in 2020. The number is projected to

reach 4,619,084 in 2030.\* At the formative period of their lives, young girls face significant human rights violations, limits by sociocultural norms and structural exclusion. Almost 1 in 2 young women between 20-24 years married before 18 years and 14% before 15<sup>35</sup>, resulting in early childbearing. Adolescent birth rates are among the highest in the SADC (5.5 per 1,000 for girls aged 10-14 and 99.4 for girls aged 15-19), a public health concern, as adolescents are exposed to a higher risk of complications and maternal and infant mortality. 5% of maternal deaths occur among girls aged 10-14 and 16% for those aged 15-19; the HIV prevalence among the 15-24 years females is 9.8%; illiteracy rate among girls aged 15-19 is 35.6%.<sup>36</sup>

Girls spend on average 6.2 hours a day on domestic tasks compared to 4.3 hours for boys.<sup>37</sup> It hampers their ability to make equal educational or economic contributions to boys. Poor quality education allied to stagnating enrolment in upper primary and secondary despite increased provision: while 94% of girls in Mozambique enrol in primary school, more than half drop out by the fifth grade, only 11% continue to study at the secondary level, and just 1% continue to college. The consequences of the COVID-19 pandemic in terms of increased domestic burdens, the closure of schools, and loss of income can result in girls being forced to drop out of school, exposing them to early marriage and sexual exploitation.

### **PEOPLE WHO INJECT DRUGS**

In Mozambique, there are an estimated 13,800 people who inject drugs.<sup>38</sup> HIV prevalence in this population is estimated at 45.8%.<sup>39</sup> People who inject drugs face multiple challenges and are disproportionately affected by discriminatory laws and stigma.

\* Population estimates based on projections from the 2017 census.

## 1.4. SOCIAL DIMENSION

### POVERTY AND INEQUALITY HAVE BEEN INCREASING WHILE GDP PER CAPITA IS STAGNATING

The country's progress in eradicating poverty is slow, and almost two-thirds of the population live with less than USD \$1.90 a day.\* In 2014, the Government estimated poverty to be 46.1% based on several national poverty lines (all below USD \$1.90 a day). GDP growth has not been inclusive, the income share of the bottom 40% of the population declined an average 1.8% per year between 2005 and 2017.<sup>40</sup> Moreover, income inequality jumped dramatically in only six years, as measured by the Gini coefficient, increasing from 47% in 2008 to 54% in 2014.<sup>\*\*</sup> The slower growth rate of the GDP, coupled with the rapid increase of the population led to a decrease of the GDP per capita. GDP per capita has not grown since 2018, and current forecasts suggest that it only start to grow again in 2023.<sup>41</sup> There are circa 14.5 million people in Mozambique that are multi-dimensionally poor, including 7.2 million men and 7.3 million women.<sup>42\*\*\*</sup> Rural poverty incidence for the population aged 0–17 is more than three times that of urban areas, and the four poorest provinces—Niassa, Cabo Delgado, Nampula, and Zambézia—are about 50 times poorer than the richest—Maputo City.<sup>43</sup>

The COVID-19 pandemic and preventive and mitigation measures have significantly affected the economy with GDP contracting by 3.3% in the second quarter of 2020. The decline in household's earnings will push additional people below the USD

\$1.90 poverty line from 62.5% in 2019 to 63.7% in 2020.<sup>44</sup> Many households have experienced sudden income losses, especially those who were already highly vulnerable such as informal workers. While rural areas were less exposed to Covid-19, the effect of slower economic growth is likely to impact poor and vulnerable families in rural areas, due to lower remittance from their families in urban and peri-urban areas and overseas, and increased food prices and cost of living due to depreciation of local currency.

In 2019, the country regressed in the global ranking of human development to the 181<sup>st</sup> position out of 190 countries, with significant disparities among regions. For example, the province of Cabo Delgado was at a similar level to some of the least developed countries, while Maputo City was comparable to middle-income countries.<sup>45\*\*\*\*</sup> Deprivations in non-monetary factors (health, education, and standard of living) were estimated to affect 72.5% of the total population in 2014. Mozambique has a higher incidence and severity of poverty and intensity of deprivations than the average for the Sub-Saharan African region. A recent study also found that the number of multidimensionally poor people increased by approximately one million people in 2015–2018.<sup>46</sup> Prevalence of poverty is higher among children<sup>47</sup>, and the impact of multidimensional poverty on young people is especially worrisome as it would have a long-term impact on human development.

**Table 2: Multidimensional Poverty Index: Mozambique vs. Sub-Saharan Africa<sup>48</sup>**

	Mozambique	Sub-Saharan Africa
Multidimensional Poverty Index (value)	0.41	0.299
Intensity of deprivation (value)	58.7	54.3
Inequality among the poor (value)	0.023	0.022
Population in multidimensional poverty (%)	72.5	55
Population in severe multidimensional poverty (%)	49.1	32.9

\* Population living below the money metric poverty line of USD \$1.90 PPP Human Development Indicators (2020).

\*\* World Bank Development Indicators estimate. The Gini coefficient will be updated with the analysis of IOF 2021.

\*\*\* Calculation of absolute level uses 2020 population projection from the UN Population Division and 2018 multidimensional poverty incidence rate from the referenced UNU-WIDER study.

\*\*\*\* In 2018 the least developed country in the world was the Central African Republic.

## **SOCIAL PROTECTION DOES NOT YET PROVIDE ADEQUATE COVERAGE FOR ALL**

Social protection expanded, and the coverage of the poor and vulnerable population\* increased from 17.4% in 2016 to 22% in 2019. If this growth rate is maintained, the country will achieve its national target of covering 36% of the poor and vulnerable population by 2030, set in the National SDG Indicator Framework but not the National Development Strategy target of 75%. National social protection programmes and safety nets are significant but not yet comprehensive enough to provide adequate coverage for all and protect an already impoverished population from recurrent shocks such as drought, cyclones, conflict, and now the Covid-19 economic fallout. The country's core policy document on social protection is the National Basic Social Security Strategy (Estratégia Nacional de Segurança Social Básica—ENSSB) II 2016–2024 and encompasses four main social protection responses, including cash transfer for the elderly, children and PwD, in-kind transfers, public works, and a set of institutional care services for vulnerable adults, elderly people and children.

Between 2016 and 2019, the number of households benefiting from programmes run by the National Institute of Social Action (INAS) increased from 498,866 to 609,405. As a result, Government expenditures on INAS-run initiatives grew from 1.2 % of the state budget in 2016 to 1.6% in 2019. The ENSSB II aims to increase the coverage of its programmes to 3.4 million people by 2024. and expenditures on INAS-run social protection initiatives should increase to 2.2% of GDP. However, at the current rate of expansion, it is unlikely that social protection coverage would meet these targets, leaving the vulnerable group without adequate support.

A 2018 report,\*\* highlighted several key challenges such as low coverage of the eligible population, lack of basic social protection instruments for some vulnerable groups, particularly children, challenges in the implementation of the *Programa de Acção Social Produtiva*, an absence of reliable and efficient systems and operational procedures for programme implementation (social registry, eligibility criteria and targeting, payment delivery, case management, monitoring and evaluation), lack of coordination amongst ministries responsible for the delivery of basic

social protection programmes, challenges in the coordination between Ministry of Gender, Children and Social Action (MGCAS) and INAS, responsible for implementing the social protection programmes under the leadership of the Ministry, in the provision of social welfare services and the absence of the Institute in most districts, contributing to the high administrative cost.

In 2020, the economic fallout resulting from the COVID-19 pandemic and the lingering impact of Cyclone Idai significantly increased the demand and use of national social protection programmes contributing to social protection becoming more shock-responsive and facilitating cash transfers by contracting financial service providers. The Direct Social Support – Post-Emergency Programme (PASD-PE) was expanded to address the needs of vulnerable households affected by COVID-19. With the horizontal expansion, the Government aims to reach one million households in the urban areas. However, INAS struggles to meet demands of social protection due to challenges with the operationalisation of the payments and agreements with financial service providers. Strengthening the ability of social protection programmes to expand during shocks and attend to the new demands imposed by the different emergencies will be essential to meet these challenges. Recently, INAS has partially outsourced the payment to the private sector, aiming to improve efficiency with a lower cost.

## **A CHALLENGED HEALTH SECTOR DESPITE SIGNIFICANT INVESTMENTS**

Over the past decade, continuous public sector investment and policy implementation have substantially improved maternal and child health indicators. But despite notable progress, without an acceleration of those trends, the country will not meet its national targets by 2030. The maternal mortality rate decreased slowly from 500.1 per 100,000 live births in 2007 to 451.6 in 2017<sup>49</sup> with delays related to the decision to seeking care, reaching facilities and timely and appropriate care at facilities. Universal access to sexual and reproductive health and rights is a catalyst towards the 2030 Agenda but there are still unmet needs for family planning in the country. The proportion of women of childbearing age (15-49) whose family planning needs are met with modern methods almost doubled between 2011 and 2015 (28.3% to 50.4%)<sup>50</sup> and

\* Definition of poor is based on the nationally defined poverty line and vulnerable population is defined as orphans and vulnerable children, elderly people, PwD, people with chronic and degenerative diseases, children aged 0-2 years.

\*\*



Child is screened for malnutrition in a new health clinic adapted to climate change in Cunguma District, Gaza Province, through the UNCDF Local Climate Adaptive Living Facility. UN Mozambique/Philip Hatcher-Moore

the country is likely to meet its target of 80% by 2030. However, the achievement is not uniform. Only 34% of young people had their needs met in 2015, and access was lower for the population's lowest wealth quintiles.<sup>51</sup> The birth rate in adolescents is estimated at 180 per 1,000 girls 15-19 in 2018, displaying only a limited decline from 2015 (194) and little change since 1997 (171), with significantly higher levels among the rural population and the poor.\* 38% of adolescent girls have given birth to a live child, one of the highest adolescent fertility rates in Southern Africa. Adolescent pregnancy poses a threat to both and new-born because adolescent girls are not physically mature and may be entering pregnancy malnourished and anaemic. These findings have implications for the high levels of neonatal deaths in Mozambique.

In addition, the availability of and access to good quality emergency obstetric services, poor supply-side service readiness and quality of health care, and a significant share of non-institutional deliveries take place, particularly in remote areas. Due to prevailing sociocultural norms and lower

access to modern contraception methods, girls aged between 15-19 in the bottom wealth quintiles are at least more than half as likely to become pregnant than those in the highest wealth quintile. For similar reasons, girls living in rural areas are also more likely to become pregnant than those in urban areas.<sup>52</sup> Teenage pregnancy is one of the significant distal risk factors for maternal and neonatal mortality.<sup>53</sup> 16% of all maternal deaths affect girls aged 15-19.<sup>54</sup> Before COVID-19, adolescent pregnancy was 64% among girls with no primary education and 31% for girls with secondary education or higher.<sup>55</sup> School closures linked to the Covid-19 are likely to provoke an increase in teenage pregnancies and potentially lead to a higher maternal mortality ratio. School closures have also made children more susceptible to risks such as child labour, violence, and missed opportunities for health and nutrition interventions affecting the different targets. Access to reproductive health education and services is still an issue, partly due to restrictive laws and partly due to health system and sociocultural constraints which has implications for reaping the benefits of the demographic dividend.

\* Data for girls 10 to 14 years indicate 5.5 adolescent birth per 1,000 women in 2017

Mozambique has approved its new National Health Policy that aligns with the SDGs and promotes public policies to improve the general health status of the population. The Government of Mozambique has focused on decentralising the management of public sector resources to the district level, which included the health sector, to move decision-making and resources closer to the service recipients. However, it still lacks regulations and actions for full implementation of the policy. Health infrastructure remains limited and systems for tracking, motivating and retaining staff are weak, with frontline health providers often having limited management skills. Total health expenditure per capita has doubled between 2006 and 2018, from USD 19.7 to USD 40.3, but the entire system remains highly dependent on external funds; including budget support, which amounted to 63% in 2018.

Mozambique is a health emergency prone country. Between 1980 and 2016, events recorded included 12 droughts, 16 tropical cyclones and 27 epidemics. This situation has significantly affected the social structure, the health status of the communities, and results in the displacement of populations, aggravating the already existing risk of spreading communicable diseases (cholera, dysentery, other water and vector borne diseases). The COVID-19 pandemic has further strained health service provision, which already lacked sufficiently skilled health workers, drugs and supplies. As part of the Government preventive measures to contain the spread of Covid-19, some of the health facilities' routine services have been interrupted or reduced, contributing to a decrease in demand impacting child's survival, development, well-being and cognitive development. The reduction is visible in the demand for essential sexual and reproductive health services. Antenatal consultations reduced up to 12% in 8 out of 11 provinces, new users of modern family planning methods by 34% from May to October 2020, and women initiating contraception for the first time decreased by 344,000 compared to the same period in 2019. Key HIV programmatic indicators were also impacted since March 2020. However, the pandemic also triggered a change of policy by the Ministry of Health, allowing more patients to receive their ART for three months instead of one 3 Months Drug Dispensing (3MMD). The percentage of patients on 3MMD increased from 42% to 80% between March and December 2020 in a subset of 595 health facilities.

## **THE HEALTH SYSTEM IS CHALLENGED BY THE DOUBLE BURDEN OF COMMUNICABLE AND NON-COMMUNICABLE DISEASES**

Mozambique has the second largest number of PLHIV globally, 2.2 million [1.8 million - 2.8 million] in 2019, including 2.1 million adults [1.7 million - 2.6 million] and 150,000 children [110,000 - 210,000].<sup>56</sup> It also has the second largest number of new HIV infections in the world, 130,000 in 2019, a value that has remained relatively constant in recent years.<sup>57</sup> AIDS is the first cause of death and disability in the country.<sup>58</sup> There is significant geographic variance in Mozambique's HIV epidemic depending on various factors, including density and proximity to transportation corridors. Adult HIV prevalence is highest in Maputo province (28.2%) and lowest in Tete (6.3%).<sup>59</sup> Specific populations are disproportionately affected by HIV: men who have sex with men (8.3%), female sex workers (22.4%), people who inject drugs (45.8%) and prisoners (24%).<sup>60</sup> The same populations are also less likely to be aware of their status and enrolled in ART.<sup>61</sup> Children living with HIV continue to be left behind by the AIDS response. In recent years, great strides have been made in scaling up Prevention of Mother-to-Child Transmission, care and treatment of PLHIV and in adopting and adapting innovative global guidelines to control the HIV infection towards its elimination. The mother to child transmission rate declined from 28% in 2010 to 14% in 2019. However, this rate remains above the global target of 5%. The number of people on ART more than quadrupled, from 300,000 in 2012 to 1.33 million in 2019. The test-and-treat policy reduced the number of AIDS-related deaths from a peak of 72,000 in 2006 to 50,000 in 2019. But more must be done to achieve national targets and the global 2020 Fast-Track treatment targets calling for 90% of PLHIV to know their status, 81% to be on ART and 73% to be virally suppressed. Poor retention in ART is a significant challenge in Mozambique, and 33% of PLHIV who initiate ART are lost to follow-up within 12 months. The Covid-19 pandemic has impacted crucial HIV programmatic indicators in 2020, for example HIV testing and ART initiation.<sup>62</sup>

Mozambique is also one of thirty TB and HIV-TB high burden countries. For the last decade, Mozambique TB incidence and mortality rate has stagnated.<sup>63</sup> In 2019, the estimated TB incidence was 361 per 100,000 people, for a total of 110,000 incident cases annually. Of these, around 34% are estimated to be co-infected with HIV. The estimated proportion of multidrug-resistant/rifampicin-resistant (MDR/RR)-TB is 3.7% in new and 13% in previously treated cases totalling 4,900 annually.



The estimated death rate is 19 per 100,000 people in HIV-negative TB patients.<sup>64</sup> The overall burden of TB, HIV-TB, and MDR-TB in children is significant, with high TB-associated mortality.

Despite significant investment and progress in malaria control over the last ten years, it remains one of the leading causes of death in Mozambique and is endemic throughout the country.<sup>65</sup> Prevalence trends (measure as *Plasmodium falciparum* prevalence in under 5 children), having decreased from 51.5% in 2007 to 38.3% in 2011, have remained relatively flat thereafter nationally. The country is unlikely to meet its incidence target of 146 per 1,000 inhabitants. There are, however, wide variations of prevalence across provinces, from a low of 1% in Maputo City to 57% in Cabo Delgado.<sup>66</sup>

There is also a significant increase in non-communicable diseases (NCD), which doubled in prevalence in the last ten years, with 32% of the Mozambican population deaths in the country due to NCD. NCD risk factors include tobacco consumption, excessive alcohol consumption, unhealthy diet and physical inactivity that are increasing with 36% of Mozambican adults with alcohol consumption behaviours and 48% being physically inactive. The teenage exposure to NCD health risks factors have increased in the last 10 years with behaviours change with 62% of teenage students with alcohol consumption experiences and 12% of them with excessive alcohol consumption behaviour and 5.2% of teenage students with tobacco consumption behaviours.

### **CHRONIC MALNUTRITION IS HAMPERING LIFE-LONG HUMAN DEVELOPMENT AND PRODUCTIVITY**

Extremely high levels of chronic malnutrition (43%) in Mozambique affect almost one in every two children under 5. As well as contributing to infant deaths and poor child health, chronic malnutrition has a detrimental impact on school performance, household income and perpetuates the intergenerational cycle of deprivation. Although chronic malnutrition is a national challenge, it is more pronounced amongst children living in the northern provinces of Nampula, Cabo Delgado, Niassa and Zambézia, where the prevalence is double that of the southern province of Maputo, and amongst poor families whose risk of chronic malnutrition is double that of the wealthiest families. The reasons for chronic malnutrition are many and complex. They include reliance for livelihood on food crops produced under rain-fed conditions in a country that suffers frequent drought and floods and poor sanitation and hygiene practices.

### **MOZAMBIQUE HAS ONE OF THE LOWEST SCHOOL ATTENDANCE RATES IN THE WORLD**

In recent years, Mozambique has made good progress in the education sector. The National Education System Law was revised in December 2018 and established a new structure for the sector, increasing mandatory (and free) education from seven to nine years. The duration of the education cycles was restructured, reducing primary education from seven to six years, and increasing secondary education from five to six years. For the first time, the law also recognises pre-school as a sub-sector of education, although not a requirement to enter primary school. The Education Sector Plan 2020-2029 aims to train "citizens with knowledge, skills, moral, civic and patriotic values capable of contributing to the development of a cohesive society adapted to the constantly changing world". It is aligned with the SDGs, and considers natural disasters, which affected the implementation of the previous plan, and includes a stronger gender focus across all priorities.

However, efficiency challenges still plague the system. The dropout rate remains high and results in one of the lowest mean years of schooling in the world (3 years and 6 months) and only 42% of children complete primary education.<sup>67</sup> 2.4 million children are still outside the system, including 606,000 children of pre-school age<sup>68</sup>, with only around 5% of children of pre-school age attending early school learning programmes.<sup>69</sup> In 2016, by 3rd grade, only 4.9% had developed reading skills, both girls and boys, and 7.7% in mathematics, 7% for girls and 8.4% for boys. It seems unlikely the country will achieve its national 2030 target of 30% of the students developing the skills required in the first cycle of primary school. Contributing to the low outcomes are high stunting rates negatively affect children's cognitive achievements, overcrowded classrooms and high levels of teacher absenteeism. Between 2016 and 2019, the student-teacher ratio deteriorated in all provinces, except for secondary education in Maputo City.

School feeding is one of the most successful tools to address issues like dropouts, attendance and conclusion rates. Mozambique has an institutionalised national school feeding programme that has been growing in coverage, reaching around 125,000 children in 2020, however, this is still a small fraction of the millions of primary schoolchildren for who the multiple vulnerabilities described above, especially food insecurity, become a barrier to education and an incentive for deepening gender issues. While almost all boys and girls are enrolled in primary

school, the gross enrolment ratio at the secondary level is 33% for girls and 37% for boys.

The impact of Covid-19 on the education sector has been substantial. Schools closed for almost the entire year of 2020, at an estimated loss of 0.6 years of schooling adjusted for quality, affecting about 8.5 million Mozambican students. Among the primary education students, over 300,000 were also affected by the interruption of school feeding, leading to reduced access to food and nutrition in a time of loss of income for many families. Efforts to teach remotely were impeded by the limited access to mass media for most of the population, and the education attainment of Mozambican students is likely to be further depressed. Evidence from previous shutdowns of schools shows that children, especially girls, who are out of school for extended periods were much less likely to return when classrooms reopened. Children with pre-existing vulnerabilities, such as those living in camps or camp-like settings, with underlying health conditions, of single-parent led households, child-led households, refugee and asylum-seekers, pregnant adolescent girls, teenage mothers and girls living with obstetric fistula or disabilities also have a heightened risk of dropping out of school due to prolonged school closure. Furthermore, there have been increased and well documented safety risks for the girl child associated with school closures and increased poverty in areas such as domestic violence, sexual exploitation, early marriage, and female genital mutilation. At an individual level, missed learning opportunities can also result in lower future long-term gains (each student from today's cohort in primary and secondary school could face, on average, a reduction of USD 872 in yearly earnings) translating into reduced human capital at the country level.

### **LACK OF ACCESS TO WASH SERVICES RESULT IN POOR HEALTH AND LOW PRODUCTIVITY**

In 2017, an estimated 56% of Mozambicans had access to an improved water source, 15% had limited access, and 29% relied on unimproved or surface water sources. For sanitation, 29% had access to at least a basic sanitation facility, 5% had limited access, and 27% practised open defecation. While it represents a significant improvement since 2000, more investments are necessary to achieve universal and equitable access.<sup>70</sup> WASH coverage and services are generally better in the southern provinces than the North. Almost three-quarters

of Mozambican children lack proper access to sanitation, and 43% lack clean and accessible water sources, which compounds the challenges of SDG2 and stunting. Only 52% of health centres<sup>\*71</sup> and 31% of schools<sup>\*\*</sup> have access to improved water sources, impacting the ability to follow measures to prevent the spread of Covid-19.

To achieve universal and equitable access to safe drinking water for all by 2030, the coverage should increase from the current 635,000 people to a minimum of 1,906,000 people per year. The provinces of Gaza and Maputo City are the only currently on track to achieve the target of access to clean water by 2030. According to the existing data and estimated trends, Mozambique will only reach the goal of eliminating open defecation by 2035 or later. By 2030, more than 43% of the population in the country may not be using safely managed sanitation services if the expansion of this service remains at the current rate of 793,183 people per year. To guarantee access to sanitation for all, it is necessary to secure access to a minimum of 2,078,677 people per year and ensure the maintenance and continuous improvement of sanitation conditions for the population that already benefits from this service. This implies, among other things, continuing the implementation of integrated water resources management at all levels, including cross-border cooperation as appropriate, which was still 68% by 2019 and continue to support and strengthen the participation of local communities to improve water and sanitation management.

Income losses linked to the COVID-19 pandemic have challenged many people's ability to pay water bills, straining further the capacity of water supply operators to deliver. A service disruption would undermine its protective role against Covid-19 transmission and other diseases like cholera and malnutrition, prevalent in the country, which would particularly affect PwD, children, and those who have additional barriers in accessing WASH facilities. Moreover, with the restrictions on community mobilisation, community sanitation activities have been limited. Recent surveys show strong compliance by the general public, up to 80%, to the practice of handwashing as a Covid-19 prevention measure.<sup>\*\*\*</sup> At the community level, markets are also being reorganised to reduce the risk of transmission, which includes the availability of handwashing stations and supportive messages at the entries and exits.

\* Similarly, JMP estimates indicate 58% of health centres nationally with improved water sources.

\*\* JMP estimates. Other data from Ministry of Education (school mapping data 2019) also estimate this to be around 31%.

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## 1.5. ECONOMIC DIMENSION

### THE COUNTRY'S ECONOMIC RESILIENCE IS ERODING

Once considered an “African lion”<sup>72</sup> with GDP growth rates of 7-8% between 1994 and 2016, Mozambique has seen its GDP growth slowed down since 2016 to under 4% per year. In 2020, in part due to the COVID-19 pandemic, the economy shrunk by 1.3%.<sup>73</sup> The Government’s Medium Term Fiscal Framework (March 2021) forecasts 2021 GDP growth between 0.6% to 1.5%, 2,8% in 2022 and 3,7% in 2023<sup>74</sup>. The World Bank and *The Economist Intelligence Unit* (EIU) are more optimistic.

Since 2016, the contribution of agriculture, livestock and fisheries to GDP have remained at 26%, with the extractive industry recording a slight growth from 4.9% to 7.3%. The agricultural sector remains a significant employer (71% in 2019) compared to other low-income countries, although the service and industry are slowly growing. Despite Government’s expectations, the extractive industries have a minimal impact contributing 1.5% to job creation in 2019. Given its weight, improving the employment conditions in agriculture will be crucial to decent jobs. FDI are increasingly concentrated in mega-projects, which operate as enclave economies with few linkages to the country’s economic fabric. In 2020, FDI to the “non-mega-projects economy” amounted to less than 25% of total FDI down from more than 57% in 2016.

Mozambique has encountered challenges in kicking off a structural transformation due in part to limited productivity growth and focus on the non-mega project economy. Finance and business

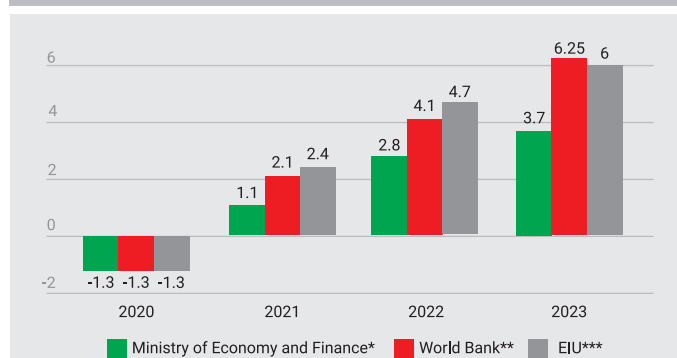
services and utilities industries have been the most productive sectors, the latter experiencing rapid productivity growth since 1995. However, these industries only employ a small share of the workforce and tend to be isolated from the rest of the economy. Manufacturing has experienced some productivity growth, although the gains are not as significant as in the utilities sector. The rest of the sectors have experienced limited or no labour productivity growth, contributing to a situation of essentially stalled industrialisation.

The current growth model relies on FDI-led projects in the extractives industries and marginalizes the primary sector despite it being the largest provider of livelihoods. Agriculture, livestock and fishing provide the means for living for three out of four Mozambicans. More proactive involvement in market development, specially of small and medium enterprises, in key labour-intensive sectors like agriculture, livestock, fishing, tourism, culture and technical services represent a critical opportunity to strengthen economic resilience and inclusive growth.

### LABOUR MARKET CHARACTERISED BY INFORMALITY, LOW PRODUCTIVITY AND MISMATCHED SKILLS

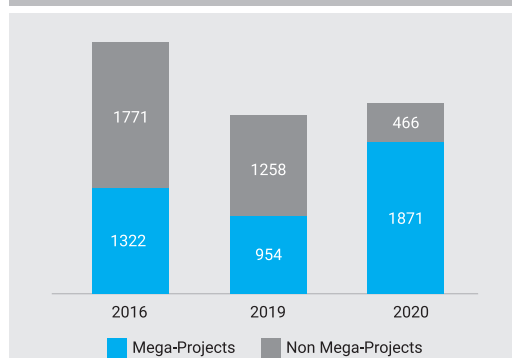
Mozambique lacks adequate data on the labour market. The last fully-fledged labour force survey was carried out in 2005, while administrative data, such as business or taxation records, only capture the minority of workers in the formal sector.<sup>75</sup> However, the 2014/15 household budget survey reported 80.5% of female population (aged

Figure 5: Mozambique GDP Forecasts (% rate of change) (2020-2023)



Source: 2020 estimate from the INE. \* Forecasts from the MEF, March 2021  
 \*\* WB forecasts, February 2021 \*\*\* EIU forecasts, February 2021.

Figure 6: FDI in USD millions



15 or more) were employed and 83.1% of male population of the same age, down from 86.3% and 86.5% respectively in 2004/5.<sup>76</sup> The higher unemployment of women in productive sectors (non-subsistence) is statistically associated with lower education levels. A recent study modelled that employment in 2020 was 1.9% lower than in scenario without Covid-19.<sup>77</sup> Around 70% of male headed households and 80% of female headed households reported substantial income losses.<sup>78</sup> According to the Institute of National Statistics (INE), as of June 2020, about 120,000 jobs were lost and 63,000 employment contracts suspended, with women the most affected. Around 2.9% of the firms affected were forced to cease their activity, while the impact is significant across the board, small firms were worst affected.<sup>79</sup>

Even though the country reports a 75.7% employment to population ratio, in 2014, the Government estimated consumption poverty to be 46.1% based on national poverty lines (below USD \$1.90 a day). Youth unemployment stands at 42%, and there is a mismatch between the supply and demand for skills with 34% of youth aged 15-24 not in employment or education, an increase by 13 points since 2007.\* A recent simulation from the World Bank shows that at least 1.4 million more Mozambicans could fall below the national poverty line with a significant increase in urban poverty.<sup>80</sup> In June 2020, the Minister of Labour and Social Security announced that at least 39,000 people had lost their jobs in the formal sector due to Covid-19, but the number is likely to be higher in the informal sector.

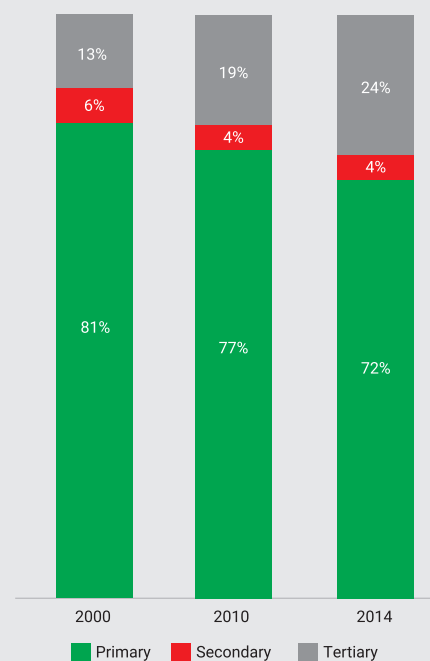
Informality remains prevalent in Mozambique with approximately 80% of the Mozambican labour force works in the informal sector, mostly in agriculture and informal self-employment.<sup>81</sup> Very few workers are employed formally with social security only covering 6% of the labour force. The primary sector remains the largest employer, with almost three out of four Mozambicans working in agriculture, fishing, and hunting. Importantly, productivity in agriculture has not remained stagnant but grown at an average of 4% per annum between 2006 and 2014.<sup>82</sup> However, most Mozambican farmers are engaged in smallholder, rain-fed subsistence agriculture, with low productivity, compared with selected African countries in the region, and limited ability to generate savings and address food insecurity. The pursuit of economic opportunities and increasingly, environmental hazards, are key drivers of internal

mobility and migration of tens of thousands of Mozambicans to neighbouring countries, particularly to South Africa. Semi-skilled labourers find opportunities in construction, mining and services sectors, while low-skilled migrant labour work primarily in the commercial agriculture. Fluid, circular migration patterns and maintenance of socioeconomic networks between rural places of origin and urban centres have become increasingly common strategies for resilience.

The large FDI inflows that followed led to creating an enclave economy, where jobs are essentially low skilled and with low productivity. Over the past three decades, significant growth is observable in crucial services sub-sectors, such as Information communications technology, transport and services and financial, averaging 1.5%, 3.1% and 4.5%, respectively. This growth faced demands for high skills labour, which most of the available workforce does not possess.

Labour market opportunities are more limited for women. Mozambican women are less likely than men to work in the small formal sector and are

Figure 7: Share of employment by economic sector



Source: International Labour Organization, ILOSTAT Database

\* Author's elaboration based on 10% samples of census microdata.

paid less. Overall, only 12% of workers receive a wage, and 80% of these are men, while the female-to-male wage ratio is 64%. Women are more prevalent in the informal sector, making up 59% of informal workers.<sup>83</sup> Women carry the burden of domestic work and care of relatives, but they are not remunerated. Most domestic workers lack social security coverage. Even women university graduates receive a mean salary 15% lower than men.<sup>84</sup>

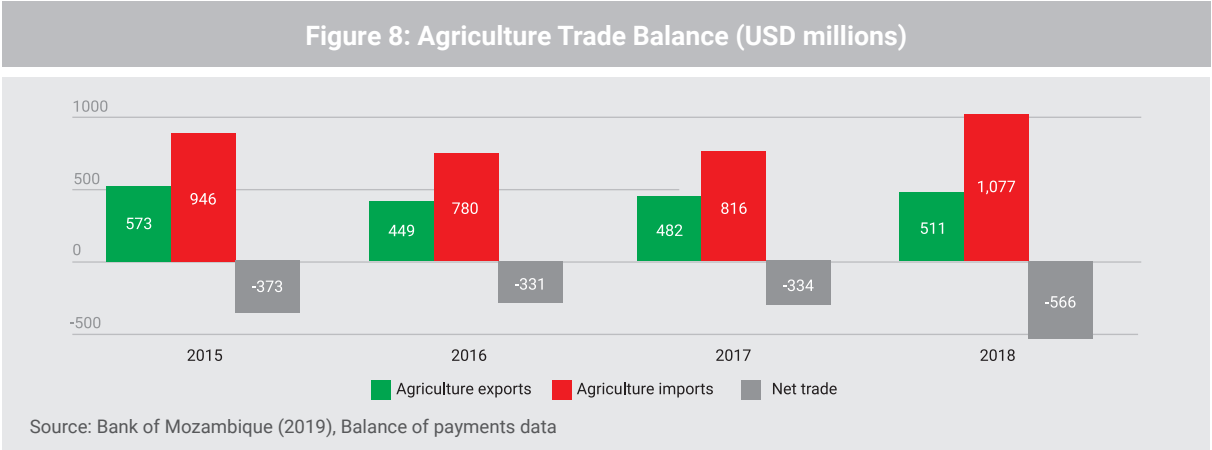
Women gendered responsibilities as primary caretakers of dependents and the household translate into daily unpaid responsibilities while men work outside the home. A survey of urban youth (aged 15-25) in Maputo and Beira found that when adding hours spend working inside and outside the home, young women work on average 8.5 hours more than young men per week. 48% of young women spent time on childcare, compared to 11% of young men, and 93% of women spend time on domestic chores, compared to 68% of men.<sup>85</sup> Furthermore, research indicates that there has been an increase the unpaid care work burden of women during the COVID-19 pandemic.<sup>86</sup> The intra-household economy, a key source of care, education and resilience for the families is supported by women but does not feature in official statistics, hence the need to adopt holistic frameworks like the embedded economy, through which policy can visualize, target, support and develop households.

**AGRICULTURAL SECTOR, FOOD TRADE IMBALANCES AND CHRONIC FOOD INSECURITY**

Agriculture accounts for one-third of GDP. The agriculture, fishing and hunting sector has the largest social impact, providing the livelihoods of four out of five Mozambicans. Production of maize, cassava, beans and legumes meets national demands, but rice, wheat, vegetable oil

and meat are imported. The sector is dominated by smallholder farmers using family labour (99%), most of them cultivating small plots of land (0.5 to 1.5 ha) producing primarily food crops (maize, rice, sorghum, millet, pulses, roots and tubers) and cash crops (cotton, cashew, soybean, sesame, coconut and sugarcane). Dominant livestock production at the household level is cattle, goats and poultry. The current agriculture and food trade imbalance, as the national agricultural export potential remains largely untapped, and persistent negative food trade balance represents a missed opportunity to stimulate domestic food production.

Despite increases in population, the availability of arable land and greater financial depth, and deepening and broadening of financial services, food production remains at the same level as a decade ago. FAO’s food production index in 2016 was 149.7, compared to 157.6 in 2011. As the agriculture trade balance illustrates, the country is becoming more dependent on food imports. The need for farmers to produce more to meet the growing demand for food is of paramount importance and calls for raising agriculture productivity. Agricultural production and productivity are central in meeting SDGs 2, 3 and 8.



**Table 3: Productivity of Key Agricultural Products, 2016-2019 (TONS/HA)**

Agricultural Product	2016*	2017	2018	2019	Change 2016-19 (%)	2024 Government Targets
Maize	0.906	0.927	0.906	0.796	-0.11	2.1
Rice Paddy	0.59	0.476	0.59	0.705	0.115	3.5
Seed cotton	0.401	0.719	0.543	0.504	0.103	NA
Sesame seeds	0.513	0.522	0.558	0.783	0.27	0.8

Source: FAO Statistical Yearbook 2020, MADER 2020, SUSTENTA

\* Baseline year for Agenda 2030

Among the reasons for the low productivity, only 10% of arable land is cultivated, and only 3% irrigated, implying a high vulnerability of food production to climate shocks and climate change. Recent studies show that only 1.1% of smallholder farmers have access to irrigation, making them even more vulnerable to climatic changes. The majority of farmers are women who have smaller plots than men and use less fertiliser, pesticide and machinery. They also experience more difficulties in access to and control over cash, land and livestock and are under-represented in farmer organisations.

Rural extensionists in Mozambique, whose role includes disseminating technologies, support a more sustainable pattern of agricultural production. Their number increased from 1,261 in 2014 to 1,934 in 2019, and the 2020-2024 Government Development Program proposes continued hiring to support more than one million producers by 2024.<sup>87</sup> The more than fivefold increase in the percentage of producers practicing conservation farming techniques indicates the initiative has a positive impact. However, it must be complemented by extensive capacity development of the extension services.

Fewer than 4% of smallholders are members of farmer organisations, most of which lack structure and support. Most smallholders sell their produce at low prices because people have limited access to credit and market information and rural markets are not integrated. Post-harvest losses are estimated between 20% and 30% because capacities for storage, processing and handling are limited.<sup>88</sup> In addition, the low productivity of most farmers often means they are not able to invest in more long-term sustainable practices, leading to increasing environmental degradation, which in turn reduces productivity, trapping many farmers in a negative cycle characterised by low productivity and environmental degradation.

The lack of articulated intersectoral policies affects production levels and agricultural trade, which in turn affect the availability of food in

domestic markets, food prices and incomes, ultimately impacting food security and nutrition outcomes. Food production as an endogenous source of inclusive and resilient growth is not being leveraged. On average, 38% of the rural population (11 million people) suffer from food insecurity every year and at least once a year due to ineffective food systems. Recurrent climate events such as outbreaks of pests and diseases, droughts (in Gaza, Inhambane and Tete Provinces) and floods (in Sofala, Zambézia and Nampula provinces and, to a less extent Manica province) exacerbate the situation. The 3rd Food Security and Nutrition Strategy (ESAN III) represents a positive step in its inclusion of production and availability, access, use and utilisation, adequacy and stability with implementing actions at the decentralised level. However, the operationalisation of the strategy at national and provincial level has been challenging in the areas of coordination, standardised monitoring and evaluation, capacity and resources.

### INDUSTRIAL SECTOR

The Mozambican Manufacturing sector is composed of 2,785 companies distributed across large (3%), medium (3%), small (31%) and micro (63%) companies. Micro-companies are the largest majority, but they only employ 6% of total manufacturing labour. The large companies employ 70%, followed by small companies with 16%, medium companies with 8% in 2016.<sup>89</sup> Manufacturing Value Addition as a proportion of GDP experienced a declining trend from 15% in 2004, reaching its lowest of 8.69% in 2018, indicating a declining role of manufacturing in the economy.

Challenges affecting Small and Medium Enterprises in Mozambique include poor trade, financing, and investment conditions. Most are informal and cannot meet financial institutions requirements, including collaterals, audited accounts and business plans. The ease of doing business Report (DBR) for 2020 indicates that Mozambique is ranked in the 138<sup>th</sup> position and has fallen three places from the previous year.

According to the 2020 DBR, Mozambique scored 69.3 points out of 100, well below the Sub-Saharan regional average of 81.1 points.

The manufacturing sector is led by non-extractive mega-projects such as the aluminium smelter of Mozal, closely followed by extractive projects like coal. There are also smaller industries, such as food and beverages and smaller chemical and textile sectors, that are more labour intensive.

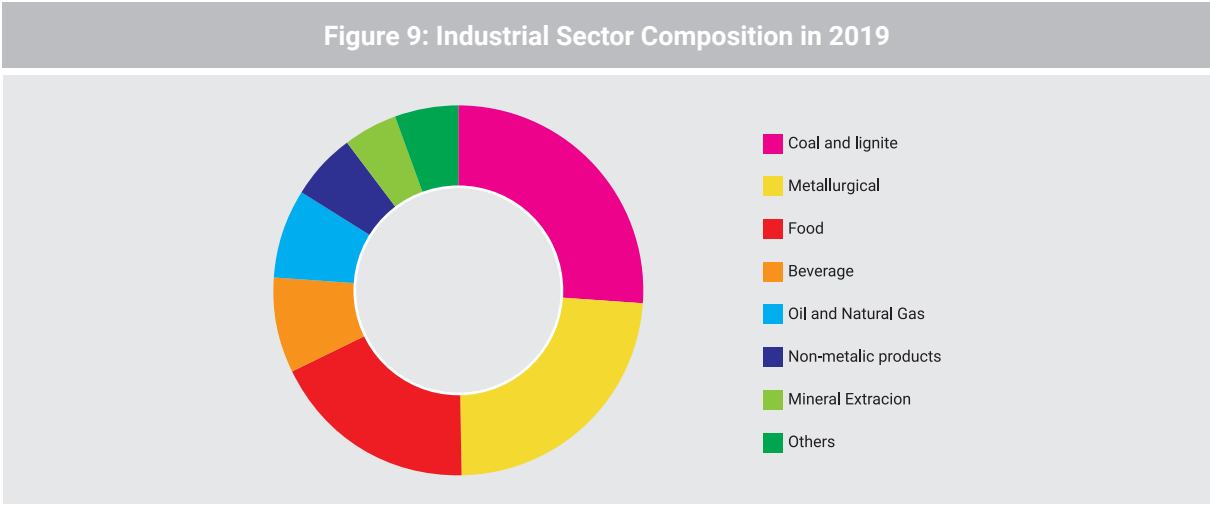
The non-renewable natural resource extraction sector has high productivity and generates significant operating income and asset value, albeit the operating income and commercial asset value is in the financial statements of the extractive companies outside Mozambican borders. It is also the sector with transformative potential due to the enormous size of the gas fields in the Rovuma basin (located in Cabo Delgado Province). Area 1 alone is expected to bring USD 35-55 billion in FDI over the next 5-10 years, about four times the size of Mozambique’s GDP.

The sector will significantly impact the balance of payments and tax revenues and potentially the demand for inputs during the construction phase. In addition, for the first time, a Mozambican Oil&Gas company will own a fraction of the gas (around 5%). This development constitutes both an opportunity to foster industrialisation of the country and a threat to fall prey to the Dutch disease and the Natural Resource Curse. In 2020, the Central Bank presented a proposal for a Sovereign Wealth Fund to collect between 50% and 80% of all revenues from non-renewable resources. The proposal is largely welcome; however, CSOs argue for compliance with international transparency standards (EITI, Santiago Principles and others).

**SERVICES SECTOR**

The formal services sector with high productivity, including financial services (mostly banking with little insurance penetration), telecommunications, logistics, retailing, hospitality, tourism, restaurant and others is based only in the largest cities. However, informal services in urban areas represent the second largest source of work.

Access to financial services has improved, but additional efforts will be needed to reach the national target of 30% of the population with access to a bank account in a formal financial institution by 2022.<sup>90</sup> The number of districts with at least one point of access to financial services increased from 59% to 67% between 2016 and 2019. Despite the progression, access to financial services is still low and with significant disparities by area of residence. In 2019, two out of ten people had a bank account, men holding twice as many accounts (26%) as women (18%), and four times more in urban areas (40%) than rural areas (3.2%). In mobile financial services (Mpesa, Mkesh, Emola, etc.) access is relatively high, reaching 41%, of which 21% are men and 23% women.<sup>91</sup> Although internet access tripled from 2.1 % to 6.6% between 2007 and 2017, Mozambique still has one of the lowest mobile phone and internet penetration rates.<sup>92</sup> The country’s digital transformation requires a significant expansion of access and targeting the most left behind to overcome the considerable imbalance between urban (15.3%) and rural areas (2.2%) and the rising gender disparity. In 2017, 8.1% of men had access to the internet versus 5.3% of women, whereas in 2007 it stood at 2.2% and 2.1% respectively. The spatial difference in access is partially bridged by the ownership of mobile phones, which stands at 18.4% in rural areas and 42.0% in urban areas and contributes to financial inclusion since the use of mobile financial services has been gaining



expression in the country. Notably, COVID-19 is accelerating the digital transformation with a rise in mobile solutions for services delivery (e.g., social security payments).

Until the advent of COVID-19, Mozambique's tourism sector was growing. The number of tourists increased to 2.8 million in 2018 from 1.6 million in 2015. The number of jobs in accommodation, catering, travel agencies and other tourist activities increased from 58,000 in 2015 to 64,600 in 2018. The sector revenues raised to USD 241.8 million in 2018, compared with USD 196 million in 2015. In Mozambique, in 2019, direct contribution of travel and tourism to employment growth for Mozambique was 4.1%. Tourism has a profound and wide-ranging impact on societies, the environment, and the economy, and has a decisive role to play in the achievement of the 2030 Agenda.

The main challenges of tourism in Mozambique as an engine for economic growth, lie in its promotion and development, through the engagement of public and private sector, as well as communities in offering attractive and competitive services, while protecting the environment and preserving livelihoods. The attraction of FDI is a priority and requires an increased understanding of international investor market requirements and investment trends and a proactive response to these will be necessary. During and in the aftermath of COVID-19 pandemic, investment on electronic technology will be critical to continue to revitalize the travel and tourism sector. Enhancing backward linkages between tourism and agriculture sectors offers a great potential

for the rural economies to receive more economic benefits.

Cultural and creative industries also have the potential to contribute to socio-economic development but like other sectors, they face challenges related to conflict, poverty, financial crisis, rapid urbanisation and environmental degradation directly impacting the lives of vulnerable people and losing local culture, in weakness of policies, strategies, and legislation enforcement.

### **THE BUSINESS ENVIRONMENT IS UNPREDICTABLE WITH SUBSTANTIAL VARIATION ACROSS PROVINCES**

In 2019 Mozambique ranked 138 out of 190 countries in the Ease of Doing Business (dropping from 135 in 2018) and 176 out of 190 on Ease of Starting a Business. Year after year, regulations or administrative requirements are adjusted, rendering the climate unpredictable and confusing, especially for micro, small and medium enterprises, making it difficult to operate in the formal sector. The business environment varies significantly across provinces. Generally, doing business is more challenging in the North and the Centre than in the South. Maputo City, where the business and political elite are concentrated, is the worse province for enforcing contracts through the judiciary power. By adopting all the provincial best practices found at the subnational level across the four sub-categories, Mozambique could jump 22 places in the global ranking of 190 economies on the overall ease of doing business.\*

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## **1.6. ENVIRONMENTAL DIMENSION**

Mozambique's vast natural resources are not benefiting most Mozambicans. Access to land titles, real estate and extractive resource wealth remains concentrated in the hands of a few. While endowed with an abundance of renewable and non-renewable natural resources, Mozambique has suffered decades of substantive social and economic losses from the unsustainable management of its environment and natural resources. The poor are disproportionately impacted by shocks and the unsustainable

management of the environment and natural resources.<sup>93</sup>

Climate-smart agriculture and natural-based solutions can reduce land degradation, soil salinity, improve agricultural productivity, food security and rural incomes while improving climate resilience. Sustainable forestry combined with good revenue collection and utilisation practice will provide cash for building climate resilience while reducing vulnerability to extreme weather events. Effective governance of the extractive sector can increase

\* World Bank Doing Business Report. 2019.



fiscal revenues and social stability. A UNDP-UNEP/MICOA study found that the costs of unsustainable management of the environment and natural resources was estimated to be equivalent to 17% of GDP. On the other hand, estimates of the cost of moving to sustainable management was estimated to cost 9% of GDP, suggesting the benefits of sustainable management exceed the costs of achieving it.

Ongoing initiatives indicate the Government's interest in pursuing a comprehensive approach which can achieve encouraging results in the medium and long-term such as: (i) the National Climate Change Strategy 2013 – 2015; (ii) The Masterplan for Disaster Risk Reduction 2017 – 2030; (iii) the integration of sustainable natural resources management in the Government's two most recent five-year plans; (iv) the National Determined Contribution from 2018; (v) the establishment of a Disaster Management Fund in July 2017 with an initial allocation of 0.1% of the state budget and the progress in the work for its operationalisation; (vi) the advances in contracting contingent credit; and (vii) the ongoing initiatives for developing catastrophe insurance, both sovereign and microinsurance. Climate change and its consequences for the country's future is widely recognised by political powers and the public. However, political commitment to address long standing harmful environmental and natural resources management practices is limited when they are tied to political and business interests.

### **EXTREME VULNERABILITY HEIGHTENED BY CLIMATE CHANGE**

Mozambique is one of the most vulnerable countries to climate change, ranking 160 out of 181 countries in the 2019 ND-GAIN index. It is also the third most hydro-meteorological disaster-prone country in Africa,<sup>94</sup> and is the second country in the world most at risk of ecological threats,<sup>95</sup> including food insecurity,<sup>96</sup> explosive population growth,<sup>97</sup> floods, tropical cyclones, sea levels rise,<sup>98</sup> droughts<sup>99</sup> and extreme temperatures.<sup>100</sup> An estimated 25% of the population is directly exposed to hazards and a far greater number indirectly.<sup>101</sup>

It is also the 19<sup>th</sup> least ready country on the Global Adaptation Index.<sup>102</sup> As a result, when faced with ecological breakdowns, Mozambique is more likely to experience social fragmentation and economic collapse. People in Mozambique are extremely vulnerable to climate shocks such as drought, dry spells, strong winds and flooding as almost the entire rural population depends

on only one rainy season for their livelihoods. In urban areas, informal settlements dwellers are disproportionately affected due to their position in marginalised lands and hazard-prone areas with precarious housing conditions, as shown by cyclones Idai and Kenneth that in 2019 struck the cities of Beira, Dondo and Pemba. Simultaneously, the effect of flooding in the informal settlements and peri-urban areas is worsened by poor living conditions and the weakness or deficiency of water and sanitation services and basic infrastructures, thus resulting in major damages and spreading of diseases. In rural areas, climate change especially increased rainfall and floods, threaten livelihoods of many families living in or cultivating fertile soils on flood plains, along rivers and other low-lying areas who are forced to move to higher ground often with less fertile soils. Local Adaptation Plans have been carried out in 119 districts, covering 75% of all districts. Implementation is on-going in 23 districts. For instance, districts governments in Gaza and Inhambane provinces have also conducted participatory planning with the communities and allocating investment to small climate-resilient, rural, community identified and prioritised, infrastructures. There is an urgent need for scaling up, replicating across the country and identifying resources.

The effects of climate change are already evident in the country. The mean annual temperature in Mozambique has increased by 0.6°C between 1960 and 2009, while average rainfall totals have declined over the same period. Intensification of droughts is expected to reduce crop yields by an average of 11% (up to 30 – 40% in some provinces), reduce general water availability, and river floods may become more intense across the main basins due to increases in extreme precipitation during the rainy seasons. In the northern part of the country conditions for agriculture might improve due to increase rainfall.<sup>103</sup> Climate change will impact agriculture and livelihoods, water availability and food security in different ways in different part of the country. Health vulnerabilities and gender inequalities are likely to be exacerbated. International epidemiological studies have found associations between exposure to higher temperatures and adverse pregnancy outcomes, including premature birth, stillbirth, and low birth weight.<sup>104</sup> Sea-level rise is expected to exceed half a meter by the 2090s, with significant consequences for the 60% of Mozambicans living in low-lying coastal areas where the largest urban centres of Mozambique are concentrated, such as Pemba, Beira, Quelimane, and Maputo.<sup>105</sup> Findings from the National Institute for Disaster Management

(INGC) study indicated that if no further adaptation actions are undertaken, sea-level rise could increase economic flood losses in Mozambique's major coastal cities by a factor of five between 2012 and 2030.

At the macro and local level, national authorities are taking measures to tackle climate change. Mozambique was one of the first countries globally to integrate gender and climate change issues in its Strategy and *Action Plan for Gender, Environment and Climate Change* adopted in 2010. In 2018, the National Determined Contribution for Mozambique was also drafted and approved. As of 2019, 71% of the country's Districts prepared Local Adaptation Plans, and 34% of Municipalities adopted Urban Resilience or Climate Change Adaptation Plans. At the community level, local Disaster Risk Management Committees have been set up. Unfortunately, these measures are not yet comprehensive, and access to financing resources is also critical to implement these strategies.<sup>106</sup> Co-management Committee at local, district and provincial levels and the Fisheries Administration Commission along with 310 Community Fisheries Councils have been established to strengthen sustainable governance and increase the socio-economic contribution of fisheries, a positive trend in participatory governance.

### **IMPACT ON GDP, POVERTY AND FOOD INSECURITY**

While unsustainable management of the environment and natural resources has contributed to degradation and depletion of resources and biodiversity as well as a range of development challenges, it has also reduced fiscal revenues and decreased the Government's ability to finance socio-economic development and make it more challenging to improve climate resilience and achieve priority development objectives.

In terms of fiscal impacts, between 1996-2015, droughts, floods, and cyclones generated annual economic losses of approximately USD 790 million.<sup>107</sup> Catastrophe risk modelling estimated that Mozambique faces average annual losses of USD 440 million due to floods alone.<sup>108</sup> Economic analyses consider that climate change in Mozambique may cause the GDP to fall between 4-14%, with significant declines in national welfare by 2050. In the worst-case scenario, climate change costs could reach USD 7.6 billion if no adaptation measures are implemented.<sup>109</sup>

In the absence of adaptation to climate shocks, food insecurity will increase under all climate change scenarios, the scale dependent on the scenario, with a decline in productivity for a range of crops including maize (13.7% decline),<sup>110</sup> sweet potato (8.6% decline), amongst others.<sup>111</sup> Recent poverty analysis<sup>112</sup> conducted in Mozambique shows that cyclone, flood or drought can lead to a drop of up to 25% to 30% in per capita food consumption and that affected households also cut back on expenditures in basic non-food items. The negative effects on consumption resulted in a poverty increase of 12 and 17.5 percentage points in two of the three events analysed.

### **UNSUSTAINABLE MANAGEMENT OF NATURAL RESOURCES**

The National Strategy and Action Plan on Biodiversity provides a meaningful framework establishing that "Improving public awareness of the social and economic importance of biodiversity, and improved community participation in biodiversity management are crucial to the success of biodiversity conservation in the country."<sup>113</sup> In addition, The contribution of natural resources to Mozambique's GDP and employment is very high – for example, a 2012 report estimated that agriculture, forestry, logging, fisheries and mining together contributed 44-47% of GDP and 83-88% of employment.<sup>114</sup> There are increasing signs of depletion of natural resources in Mozambique. It is however not systematically documented and monitored. While there is a national target of 0.21% deforestation rate per year, between 2003 and 2013, the rate was 0.79% per annum.<sup>115</sup> Agricultural encroachment and unsustainable use of firewood\* are leading to deforestation and soil degradation.<sup>116</sup> More than 42% of the land in Mozambique is degraded, and another 19% is under active degradation (largely the result of agricultural techniques), including desertification in the arid and semi-arid areas of the country. Land degradation is more significant in the provinces of Manica, Nampula, Sofala and Zambézia, with negative impacts on agricultural ecosystems, agricultural production and food security. The main causes are soil erosion, depletion of nutrients through unsustainable agricultural practices, and charcoal production.<sup>117</sup> Mozambique counts more than 1,400 aquatic species,<sup>118</sup> but the country monitors the status of stocks for only eight specie/groups of species, and of these, 77% are considered within the biological sustainable levels.<sup>119</sup> However, the great majority of stocks targeted by artisanal fishers, representing

\* Biomass (firewood and charcoal) are critical for household energy needs, accounting for about 80% of total energy consumption in the country.



Maria Vemelo, mother of two, proudly shows what she picked up from her field in the new neighborhood of Ndedja, Sofala Province, one of the many created by the Government of Mozambique with the UN support after Cyclone Idai devastated the country central area. UN Mozambique/Karel Prinsloo

90% of the total catches, are not monitored. As per the FAO methodology, a minimum of 60% of reference species should be monitored to evaluate the proportion of fish stocks within biologically sustainable levels.

Non-renewable natural resources are extracted with little social and economic benefits for communities living in the locations where they originate and, in some cases, in violation of the environmental legislation. Moreover, there are reports of clandestine mining extraction operations only benefiting a rent-seeking elite, and the opacity of the mining register has not been addressed in the last decade.<sup>120</sup> Forestry, fishing catches and minerals recorded as imports in the balance of payments of third countries are not always being reported as exports in the balance of payment of Mozambique. The proliferation of concessions is generating wealth away from the areas where the resources originate, often afflicted with extreme poverty and vulnerability. This pattern of massive wealth diversion can spark social unrest or conflict, especially when local resources are not creating local opportunities for youth development.

Unsustainable management of natural resources threatens social stability and economic

prosperity, livelihoods and biodiversity through for example, rent-seeking leading to extreme wealth inequality, benefits captured by a few, air and water pollution, land degradation, deforestation, unsustainable fishing and unplanned urbanisation. Sustainable and integrated land management is key, with national land use planning and zoning as an important element; and land tenure security aspects that constitute a strong incentive in preserving the environment while promoting efficient land use through agriculture, livestock, fisheries and forestry. Soil erosion control, sustainable and integrated soil fertility management and soil health, efficient use of fertilisers, land restoration are key elements to be considered.

#### **UNPLANNED URBANISATION AND INFORMAL SETTLEMENTS**

According to UN-Habitat, most residents in urban areas (80%) continue to live in poorly serviced settlements.<sup>121</sup> Mozambique's current urbanisation rate is 3.8% and it is projected that by 2040 around 40% of the population will live in cities. The main drivers of urbanisation are natural population growth (1.9%) and rural-urban migration (1.6%). However, rural-to-urban migration is expected to accelerate. Mozambique comprises four large and

densely populated cities (Maputo, Matola, Beira, Nampula), which places significant pressures on public services, with poor waste management. Despite the existence of Urban Structure Plans and Territorial Plans, their implementation rate from 2015-19 was 39% and 0%, respectively.

Unplanned urbanisation leads to the creation of informal settlements that include growing concentrations of people and economic activity in most Mozambican cities. In the context of poverty, about 7 million people will face high risk exposure, environmental degradation, and climate change. The environmental issue that most affects peripheral areas and informal settlements is the frequency of floods resulting from unplanned settlement and lack of basic services such as water supply, sanitation, waste management and drainage systems. This has significant consequences in the context of COVID-19 in terms of social distancing and limited WASH facilities. The proportion of the population lacking provision for infrastructures, housing and basic services continues to grow in most informal settlements. Lack of safe spaces in urban human settlements also contributes to GBV and violence against children. Geographical concentration of the population and limited mobility leads to environmental degradation and poverty. The situation is further challenged by the quick rise of IDPs due to both natural disasters and the escalating conflict in the North, moving to urban centres or new resettlement centres which are ballooning in size. The situation is particularly acute in Cabo Delgado, where half of the provincial population has been effectively displaced.

Human settlements in lowland areas and coastal areas are particularly vulnerable to climate change, for the multiple effects of flooding, strong winds and cyclones and other hazards, and also the precarity of materials, lack of structural stability and resilience, lack of affordability for proper housing. An appropriate policy and institutional framework on urban and rural development, encouraging and promoting green and resilient cities and villages, as well as sustainable urban planning and development with participation in urban planning and management structures based on the inclusion of the most vulnerable groups, plays a role in social cohesion and is an essential area of support.

Access to electricity improved from 10% in 2007 to 24% in 2017.<sup>122</sup> However, the coverage is not on par

with the country's considerable energy potential as Mozambique is one of the largest producers of renewable energy in the SADC region. Spatial inequalities in electricity access are striking, with ten times less access in rural areas (6.1%) than urban area (60.5). In Maputo City access to electricity was 95.9%.<sup>123</sup> The Government is currently working on expanding the electrical grid with support from international partners and, in parallel, increasing the share of renewable energies, currently at 2% outside the electrical grid, by broadening the role and responsibilities of the Energy Fund. 85% of the total domestic need for energy are satisfied from forest resources: 80% of households in urban areas use charcoal and 95% use firewood in rural areas,<sup>124</sup> with considerable impact on environmental and forest degradation. Access to clean cooking technologies remains very low (4% of the population). This underscores the magnitude of required investments, to achieve universal access to electricity by 2030. Estimates suggest that annual electricity connections will need to more than double from 2018 values, from 165,000 to 350,000 and in 2020, and to 590,000 between 2025 and 2030,\* requiring an estimated investment of USD 6.5 billion.

Mozambique needs significant investments to develop institutional infrastructure and integrate climate change adaptation and disaster risk reduction measures into its planning and budgeting processes, given its exposure to climate change. Despite the lack of comprehensive information, there is evidence of ongoing efforts to create resilient infrastructure. Since 2017, the Government has built about 1,100 resilient classrooms.<sup>125</sup> Investments are also ongoing in climate-resilient food security for smallholders through national integrated risk management projects financed by the Green Climate Fund.

#### **HEALTH-THREATENING POLLUTION OF AIR AND WATER IS A LARGELY UNACKNOWLEDGED PROBLEM IN SOME LOCATIONS**

Pollution is a problem in certain locations, primarily from agriculture (sedimentation, and pesticide and fertiliser runoffs), industrial activities (discharge of untreated waste containing heavy metals, hydrocarbons, etc.) and sewage and domestic waste (most of which is discharged without treatment directly to the rivers and sea). Agricultural chemicals and fertilisers are reported to be widely used in the industrialised farms in

\* Estimate based on 70% connected to the grid and 30% to off-grid energy solutions

Incomati, Umbeluzi and Maputo River valleys, particularly in the sugarcane plantations in the Umbeluzi River valley and in Eswatini.

Mozambique has fifteen identified sites contaminated with pesticides. This is causing environmental and health problems. For example, one contaminated site is in Muziva, Nicoadala District in Zambézia province, where the population collects contaminated soils to kill fish which is sold at the local market. Another issue identified is the use of empty containers of pesticides to store water and food, thus exposing people to health risks. The problem of obsolete stocks of pesticides is also serious and even though about 300 tonnes of expired pesticides and associated water are being disposed of with FAO's support. The use of pesticides not respecting the pre-harvest interval is exposing the consumers given the availability in the market of products with pesticide residues

above the Maximum Residues Level approved by the codex Alimentarius.

Indoor air pollution, mainly from wood fuels, is a significant health problem, especially for women and children. Outdoor air pollution is also an issue, particularly in areas adjacent to the mining industry (dust, SO<sub>2</sub>, lead, arsenic and other smelter gas substances). In 2016, 91% of the urban population breathed air that did not meet the WHO's Air Quality Guidelines, and more than half was exposed to air pollution levels at least 2.5 times above safety standards. In terms of national greenhouse gas emissions, the most significant share derives from the energy sector with a little over 10%, followed by the transport sector at 8%. Both energy and transport sectors contribute to local air pollution, which could worsen given the trends in population growth and urbanisation.

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## 1.7. GENDER EQUALITY AND EMPOWERMENT OF WOMEN

The 2020 Gender Inequality Index (GII), reflecting gender-based inequalities in reproductive health, empowerment and economic activity, placed Mozambique at 127 out of 162 countries, an improvement from the 2016 rank of 139 out of 161.<sup>126</sup> Mozambique has an advanced policy framework and has ratified several international conventions related to gender equality and ending violence against women and girls, in line with international instruments. The country is on the path to achieving gender parity in participation and representation at the political level. The electoral processes for the 2019 Presidential, Legislative and Provincial elections have shown encouraging signs of participation, with women constituting 53% of the total 13.1 million voters. The Government is also making efforts towards the achievement of gender equality, such as the establishment of the gender units, revision of the relevant laws, and developing gender policies at the national and ministerial levels. Nevertheless, many impediments to their implementation remain.

While women's political participation is high compared to global and regional standards, and the country has ratified most human rights instruments related to the rights of women and girls, extreme and feminisation of poverty and high prevalence of HIV have contributed to sustaining the precarious status of women and girls in the country. Low levels of education, high maternal health risks, pressure to marry at

a young age, limited economic prospects, GBV, and accepted cultural norms place women at an increased disadvantage. Women also bear a higher impact of conflict, natural disasters, unplanned human settlements and pandemics. Structural disempowerment of women, especially of rural women and girls, driven by patriarchal sociocultural norms and practices, weak law enforcement and underfunding of gender policies is blocking human potential and sustainable development. Furthermore, these existing gender inequalities have been exacerbated by the COVID-19 pandemic<sup>127</sup> negatively impacting the achievement of gender equality.

### **WOMEN EXCLUSION DRIVEN BY GENDER DISCRIMINATION IS BLOCKING THE REALISATION OF HUMAN CAPABILITIES AND NATIONAL DEVELOPMENT**

In Mozambique, as in other countries in the region, the subordination of women to men is normalised. An ideology of male sexual entitlement prevails, and women and girls are valued for their prescribed reproductive and marital roles with limited decision making<sup>128</sup> (with some exception in parts of northern Mozambique where they are matrilineal). Patriarchal culture still favours land ownership for men<sup>129</sup>, and women's access to land, credit, and capacity remains challenging, even in matrilineal systems. More than 80% of women living in rural areas work in the agricultural sector



A portrait of displaced girls from Palma district celebrating International Youth Day (2021) in their resettlement site in Pemba district, Cabo Delgado. UNFPA/Mbuto Machili

compared to 56.1% of men.<sup>130</sup> Less than half of all women own a smartphone, and just one in ten go online. While the Census does not provide a full account of gender imbalances for unpaid care and domestic work, it is widely recognised that the amount of time women devote to domestic work is significantly higher than men, limiting their opportunities in terms of education and work.<sup>131</sup> Women make up the majority of the unskilled workforce, especially in agriculture (63.1%). The proportion of women in self-employment in agriculture is even higher (82.4%) indicating that their work goes largely unpaid. Many times, it is seen as an extension of their family responsibilities.

Women play a disproportionate role in responding to the COVID-19 outbreak, as frontline healthcare workers, caretakers at home and community leaders and mobilisers. Experience from other disease outbreaks shows that this care burden increases their risk of infection. Women also tend to work more in the informal sector, in low-wage activities or migrant work for which disruptions often means the inability to make a living and meet their families' basic needs. Studies have revealed a reduction of women's income including

by impediment to street vending enforced as a COVID-19 containment measure.

### **WOMEN AND GIRLS ARE PREVENTED FROM ACHIEVING THEIR FULL POTENTIAL**

Lower rates in terms of literacy, primary school completion and the possession of durable goods in households headed by women are particularly significant. Only one in four women aged 15+ have completed primary school, and only one in two are literate. In terms of school attendance (for children aged 6-17) and employment (15+), participation seems to have worsened for both sexes, a result which requires further investigation.

GBV is one manifestation, driver, and consequence of gender inequality and remains one of the most generalised forms of human rights violations prevailing in Mozambique. Underlying the prevalence of violence against women and its normalisation is a high level of gender inequality across most social and economic indicators. According to the 2011 Demographic and Health Survey (DHS, 2011) in Mozambique, more than one in three women (37%) aged 15-49 has experienced physical or sexual violence at some point in their lifetime, with rates higher (43%) among young

women aged 20-24. The prevalence is higher in the three provinces of the South region, followed by the central region<sup>132</sup>. The offer of GBV services at health facilities by trained health providers increased from 46% in 2017 to 62% currently. But in general, under-reporting and data systems are a challenge to document the extent of GBV accurately. Allegations of violence, harassment and exploitation against women and girls by public officials, including teachers, police, and military, are often met with impunity, as raised by the Committee on the Elimination of Discrimination Against Women (CEDAW) Committee following a comprehensive review of the combined country report for Mozambique.

The armed conflict in Cabo Delgado further jeopardizes gender equality as violations of human rights, forced marriage and sexual abuse of women and girls are perpetrated by conflict parties. Humanitarian agencies and Government social services have limited or no access to locations taken over by armed groups or militarized by the Government, which significantly hinders the provision of basic services for IDPs, making them even more vulnerable.

#### **CHILD MARRIAGE AND TEENAGE PREGNANCIES ARE OBSTRUCTING PERSONAL AND COMMUNITY DEVELOPMENT**

Specific forms of GBV committed mainly against women and girls in the name of honour or tradition, such as child marriage/early unions, harmful initiation rites, forced or early sexual

initiation, genital mutilation, intra-generational sex, and others are common in Mozambique, with significant impacts on women and girls' human rights, health, educational and economic well-being. Principal among these is early marriage/unions.

Mozambique has the 5th highest early marriage rate in the world, with almost half (48%) of women aged 20-24 married before age 18 (55.7% in rural areas and 36.1% in urban areas).<sup>133</sup> According to the DHS 2011, the percentage of young girls aged 20-24 married before turning 15 was as high as 14.3%. Mozambique high prevalence of child, early and forced marriage often compromises a girl's development by resulting in early pregnancy and social isolation, interrupting her schooling and limiting her opportunities for career and vocational advancement. The prevalence of child marriage has only modestly decreased since 1997, with a persisting North-South divide. While in most districts the occurrence of child marriage has become less frequent between 2007 and 2017, there are 60 districts where there was an increase or no substantive change in the proportion of ever married girls. Furthermore, emerging evidence from the Global Programme to End Child Marriage implemented in Mozambique, indicates increases in child marriage, violence and teenage pregnancies are increasingly affecting teenagers since the beginning of the COVID-19 pandemic. Temporary school closures and limited access to sexual and reproductive health services are some of the primary drivers.<sup>134</sup>

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## **1.8. GOVERNANCE, THE RULE OF LAW AND HUMAN RIGHTS**

The expectations of peace consolidation ushered by the signature of the Peace and Reconciliation Agreement between the Government and the largest opposition party, Renamo, in 2019 were overshadowed to some extent by the lingering low level hostilities due to the actions of a splinter group within Renamo, the military Junta, but above all by the escalation of violence in Cabo Delgado Province.

As part of the process of strengthening and consolidating democracy, the political space has become more open to opposition parties since the adoption of the 1990 Constitution. However, according to the African Governance Index of the Mo Ibrahim Foundation, between 2010 and 2019, the country declined 0.2 points

and it is categorized as *"increasing deterioration"*, ranking 26<sup>th</sup> out of 54 African countries.<sup>135</sup> With the improvements in the foundations for economic opportunity and human development overshadowed by the steep decline in participation, rights & inclusion and Security & Rule of Law.

Decentralisation is a fundamental mechanism for power-sharing and greater political inclusion, and efforts are ongoing to consolidate it, but it is still in the early stages of its implementation. The 2018 constitutional changes and amendments to the electoral law made as part of the Peace and Reconciliation Agreement of 2018, laid the foundations for a new framework for decentralisation. The new model changed the mechanisms for the election of mayors and

introduced indirect elections of provincial and district executives, the latter becoming effective in 2024. However, CSOs criticised the last round of negotiations, stating it had been dominated by the two political leaders of the warring factions with little inclusion of citizens, fuelling some mistrust on the proposed solutions. While the budgets have increased in absolute terms, district level allocations have been growing at the cost of provincial allocations, which stand at 14.7% in the 2019 Budget Proposals compared to 18.8% for districts. Municipalities receive less than 2% of the budget.<sup>136</sup>

Lack of land ownership and land insecurity hinder productivity. Only a minority of Mozambicans legally own a title to use land (DUAT, the *Direito de Uso e Aproveitamento da Terra*), and lack of land ownership is a bottleneck to access resources and inputs needed for the primary sector. Formal access to land is generally out of reach of the majority who are forced to continue their existence in informal settlements. By 2012, according to the National Directorate of Land 580,871 rural definite DUATs had been issued since Independence (for a rural population of more than 20 million in 2020). Since the Government launched efforts to expand the registration and legalization of DUAT in 2017, by the end of 2019, 1.36 million DUATs had already been issued. Despite the favourable legal framework in Mozambique granting women's rights over land, significant gender inequality persists in access to land and natural resources. As a result, gender is one of the criteria used to select processes handled and registered in issuing DUATs. Moreover, CSOs have reported that Mozambicans in rural areas face the risk of seeing their land confiscated by extractive resources concessions.

COVID-19 is indirectly impacting the governance sector. The priority given to the response diverted attention from the full implementation of the new decentralisation reform. In addition, episodes of civilian unrest and substantive law enforcement activity by the Mozambique police in their attempt to enforce the Government's "stay at home" measures have been reported.<sup>137</sup> Among the preventive measures set forth by the status of emergency, the courts only heard the most important cases as they entered a period of "ferias judiciais" thus potentially increasing the number of backlogged cases.

## THE PEACE AGREEMENT

Mozambique has made significant strides in resolving the protracted armed conflict between the Government and the Renamo with the signature in August 2019 of the Maputo Accord for Peace and National Reconciliation. However, internal disputes over succession in Renamo contributed to a rift within that party and the formation of a breakaway self-proclaimed Junta, which has recently escalated armed attacks in the country's central provinces of Sofala and Manica.

Efforts are ongoing to engage the Junta in dialogue, with good progress being made towards the end of 2020 following the announcement of a truce by both the Government and the Junta. Additionally, several high-ranking Junta members have defected and re-joined the disarmament, demobilization and reintegration (DDR) process, committing to use peaceful means to resolve their grievances.

At the end of 2020, the DDR process has demobilized 1,490 out of 5,221 ex-combatants (142 women, 1,348 men). Six former Renamo bases out of 16 were closed. Of the 5,221 former Renamo ex-combatants, 257 (5%) are women, recognising the diverse roles women may play within the armed group. Effective reintegration, including at the social and economic level, of former combatants and their families will be key to the process's sustainability.

The Mozambican peace process has sought to ensure a gender perspective from the beginning. The 2018-2022 National Action Plan on Women, Peace and Security recognises the rights of women and girls and their vulnerability within an armed conflict and underlines their importance as agents to prevent and resolve conflicts and maintain peace.

## UNLAWFUL ISSUANCE OF SOVEREIGN DEBT CREATED DISTRUST AND LIMITS FISCAL SPACE

The discovery of undisclosed sovereign debts worth USD 2.2 billion in 2016 had both economic and political consequences, affecting the population's trust in the governing class. Around one-third of the country's total fiscal space has been diverted to repay the USD 2.2 billion worth of undisclosed debt held by bondholders in the global capital markets.



According to the joint International Monetary Fund (IMF)-World Bank Debt Sustainability analysis\*, Mozambique's debt remains in distress. The present value of external public and publicly guaranteed debt relative to GDP is projected to stay above the prudent threshold, with a gradual declining path dropping below the threshold by 2028. The joint IMF-World Bank Debt Sustainability analysis indicates that Mozambique's debt sustainability into the future hinges on the State's participation in the sizable Liquefied Natural Gas development, not only the capacity of the National Hydrocarbon Company as an operator but also on the tax collection potential.

### **HUMAN RIGHTS ARE FORMALLY RECOGNISED BUT WEAKLY ENFORCED**

Mozambique is a party to seven out of the nine core human rights treaties.\*\* Mozambique has not signed or ratified the Optional Protocol to the International Covenant on Civil and Political Rights or the International Covenant on Economic, Social and Cultural Rights and its Optional Protocol, and it has yet to ratify the International Convention for the Protection of All Persons from Enforced Disappearance, which it signed in 2008. Mozambique has also ratified several human rights instruments at the regional level, including the African Charter on Human and Peoples' Rights, the African Charter on the Rights and Welfare of the Child, and the Maputo Protocol. Most recently, Mozambique ratified the Kampala Convention which recognizes key rights for displaced populations in Africa. It has also recognized the Jurisdiction of the African Court on Human and Peoples' Rights to hear complaints presented by the Commission, African intergovernmental organizations, and States parties to the African Charter, but it has yet to recognize the jurisdiction of the court to hear individual complaints from Mozambicans.

In 2016, the Government issued a standing invitation to all Human Rights Council Special Procedures and has since received on average one mandate visit per year.\*\*\* With respect to reporting to UN and African Union human rights mechanisms, Mozambique has made efforts to overcome a longstanding backlog. With UN support, the Government successfully reported to

the Committee on Migrant Workers, the Committee on the Rights of the Child, the CEDAW and the African Peer Review Mechanism. In 2020, the Government submitted its report to the Committee on the Rights of Persons with Disabilities and is currently working on submissions to the Human Rights Council, Committee on the Elimination of Racial Discrimination and the African Commission of Human and Peoples' rights.

Mozambique has been reviewed through the Universal Periodic Review three times, the latest in May 2021. During the third cycle, Member States provided 266 recommendations most centring around a few key themes, notably: strengthening of human rights legal and institutional structures for promotion and monitoring of human rights, including adoption of a national human rights policy and strategy, and resourcing and guaranteeing independence of the national human rights commission in line with Paris Principles; ensuring freedom of expression, the press and association and protection of human rights defenders; ensuring protection of civilians and accountability in context of conflict in North; combating discrimination and providing protection and access to services for specific groups, such as PwD; and strengthening and expanding access and availability of health and education services. Mozambique is yet to indicate which of the recommendations it will accept.

National human rights institutions have the potential to serve as an alternative channel for appeal and oversight, but challenges persist. Since 2016, the operational capacity of the National Human Rights Commission (Comissão Nacional de Direitos Humanos - CNDH) and the Ombudsman's Office (Provedor de Justiça) has expanded though limitation curb their efficiency: both institutions only have a presence in Maputo; allocated State resources are insufficient to cover for minimum operational demands; and their recommendations are non-binding in nature resulting in low rates of follow-up from Government. In the case of the CNDH specifically, there are still mandate-related limitations which prevent it from fully aligning with the Paris Principles, for instance regarding appointment procedures, composition and powers of Commissioners and technical staff.<sup>138</sup> Capacity of these institutions to conduct regular and in-

\* IMF and WB (2020) Joint Bank-Fund Debt Sustainability Analysis. The scope of Mozambique's public debt in the joint analysis covers data on external and domestic obligations of the central and local governments. The authorities also provided debt data on state-owned enterprises (SOEs) and SOE debt guarantees. The debt covered by the DSA excludes Hidroeléctrica de Cahora Bassa (HCB).

\*\* Mozambique is a party to following core international human rights treaties: ICCPR, CAT, CRPD, CRC, CEDAW, ICMW, ICERD.

\*\*\* Since 2016, Mozambique has received visits by the Independent Expert on the Enjoyment of Human Rights by Persons with Albinism, the UN Independent Expert on Sexual Orientation and Gender Identity, and the Independent Expert on the Enjoyment of all Human Rights by Older Persons.

depth case management and investigations is also limited.

While the country's legal and institutional framework is quite advanced on the human rights agenda, it needs to be operationalised and translate into effective enjoyment of human rights, especially for the vulnerable groups identified above. Few allegations of violations involving state actors are duly investigated, and criminally or administratively sanctioned.<sup>139</sup> Effective oversight and accountability mechanisms to handle violations and misconduct by State actors, notably security forces, are lagging and/or there is little transparency on measures taken.<sup>140</sup> In some provinces, there is little awareness of human rights. For example, only 68% of respondents were familiar with the concept in Sofala Province, against 92% in Maputo City. Freedom of expression is a fundamental right enshrined in the Constitution, but violations often by identified groups instil fear. For example, between 2013 to 2020, Mozambique dropped 31 places on Reporters Without Borders' Press Freedom Index and is now ranked 108 out of 180 countries.<sup>141</sup> Some CSOs have also reported lack of transparency during elections, intimidation of opposition followers and the death of a civil society activist in Xai-Xai, Gaza Province, imprisonment of journalists and unsolved cases of intimidation of leading analysts. In the context of the conflict in Cabo Delgado, potential violations committed by national security forces also require urgent attention to restore trust.

Despite formal equality in and under the law, women rights, particularly those of girls in rural areas, are not sufficiently enforced by State institutions and discriminatory sociocultural norms prevail. Human rights of girls and women are often violated, particularly in rural areas with lower State presence, where legislation on premature unions and domestic violence is not systematically enforced, resulting in multiple and profound economic and social tribulations: child marriages, unwanted pregnancies, GBV, higher HIV transmission for girls, individual and household functioning being curtailed, greater participation of women in the labour force but lower income, less access to land ownership, natural resources and technology. Overall a vicious and incapacitating cycle of gender discrimination, household vulnerability and chronic poverty traps.

Legal birth registration is a human right and a fundamental requisite of the SDG mandate to LNOB. In Mozambique, just under half (49%) of children aged 0-4 years old are registered and

only 32% of children are registered within a year of birth. This implies that more than two million children aged below 5 years are deprived of a legal identity. Children in urban areas and in the most urbanised provinces are more likely to be registered (60%). Barriers to registration include lack of knowledge and understanding of the benefits of birth registration, distance, time and cost.<sup>142</sup>

### **THE RULE OF LAW AND THE SEPARATION OF POWERS ARE STILL WORK IN PROGRESS**

There is a perception among the population that human rights are not respected and protected in Mozambique.<sup>143</sup> According to a recent UNU-WIDER research paper, "the Rule of Law and judicial independence are still to be concretized."<sup>144</sup> The current bottlenecks in the judiciary system affect economic development, legal certainty and security, and the effective protection of human rights. The different attempts made so far to reform the legal system, mainly after the change in political and strategic direction brought about by the Constitution of 1990, have lacked a long-term vision and sometimes resulted from domestic and foreign pressure that was not always clear or well-intentioned. Real structural reforms need to be made for the judiciary to be able to affirm itself as a real power and, in this way, favour balanced growth of companies, increased productivity, investment and jobs and, at the same time, the defence of the rights and legitimate interests of individuals and groups with fewer economic resources.

Access to justice has improved but remains a challenge. Between 2015 and 2018, cases related to crimes finalised by the courts approached or surpassed the cases fled, resulting in a reduction of pending cases. Despite this improvement, the courts still carry a high backlog of cases (96,915 in 2019)<sup>145</sup>, and the backlog is likely to rise as the courts only handled emergency cases between March and September 2020. The number of defendants in pre-trial detention is slowly decreasing from 35.3% in 2016 to 33.0% in 2019 of the prison population. However, prisons remain overcrowded (20,400 prisoners for 8,000 beds). Often inmates are not divided by sex and age, and access to nutrition, hygiene, and health is precarious. In 2020, the Government pardoned 5,500 detainees to limit the outbreak of the COVID-19 within the prison population.

By 2019, 84% of the country's districts had a fully functioning court. The Institute for Sponsorship and Legal Assistance is also playing a role in expanding access to legal aid and is now present in 145 out of 154 districts and the number of

attended cases rose to 222,792 in 2019 from 138,000 in 2016. However, language and distance barriers remain. In addition, due to the outbreak of COVID-19, in 2020, the number of cases declined to 151,226. The costs of justice remain a severe burden for citizens in addition to the travelling cost to access legal services, the latter placing the rural population at a disadvantage. As a result, at the local level, many people resort to informal mechanisms for conflict resolution, which have presented challenges in terms of standards applied, particularly for issues affecting women and children. Women have heightened difficulties to access justice. Instances of GBV, including rape, are often settled through traditional justice or privately through financial remuneration. Research on violence against women found that 70% of male perpetrators of violent acts against their female partners never face charges (2009).

Another major challenge in access to justice, particularly for people in situations of vulnerability

and poverty, is widespread judicial corruption. In 2020, Mozambique ranked 149 out of 180 countries, with a low score of 25 in 100, in Transparency International Corruption Perception Index, which represented a decrease in 6 points since 2012. Weaknesses in the legal framework have also impaired access to legal aid, mainly due to legal hurdles with respect to obtaining exemption of judicial costs and situations of denial of this entitlement within court proceedings, which has primarily impacted people living in poverty. Citizens also reported a reduction in payment of bribes to access public services<sup>146</sup>. A recent World Bank study indicates that one-third of Mozambican companies point to corruption as the main obstacle to their business.<sup>147</sup> The Government has taken meaningful steps to implement a more robust national anti-corruption and money laundering framework though it is early to capture the impact fully.

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## 1.9. THE SITUATION IN CABO DELGADO: WORKING AT THE HUMANITARIAN-DEVELOPMENT-PEACE NEXUS

In October 2017, NSAG, known mainly as Ahlu Sunna Wal Jamaa (ASWJ), began launching violent attacks in Cabo Delgado, the northernmost province of Mozambique, amid a highly complex set of dynamics, including illicit trade and politicized violence carried out by a range of armed actors. The Islamic State announced in November 2019 that the Cabo Delgado insurgency is part of its regional chapter, the Islamic State Central Africa Province, which includes Tanzania and Eastern Democratic Republic of Congo. Attacks by ASWJ have grown in scale and scope over the years, resulting in killings, rapes and abductions, and significant destruction of public, private and civilian infrastructure. By mid-February 2021, more than three years after the start of the insurgency, 807 incidents of conflict in Cabo Delgado have been recorded, with over 3,900 fatalities from the conflict, both as a result of organised violence and as a result of civilian targeting.<sup>148</sup> By December 2020, 171 schools had been destroyed, and more than one-third of Cabo Delgado's 130 health units shut down. The number of IDPs in other parts of the province or the neighbouring provinces of Niassa and Nampula stood at nearly 600,000. Local governments are now increasingly being run by military personnel or police, as public servants

have fled along with a significant portion of the population.

Understanding the challenges in Cabo Delgado through the lens of the humanitarian-development-peace nexus requires national and international actors to analyse how the current dynamics on the ground interplay with the pre-existing vulnerabilities along the three dimensions in a mutually reinforcing way.

In March 2020, the Mozambique Government created the ADIN,<sup>149</sup> with the mandate of advancing the social and economic objectives in the three provinces of northern Mozambique, Cabo Delgado, Niassa and Nampula to address the root causes of the humanitarian crisis in Cabo Delgado, integrating and coordinating humanitarian and development responses. The creation of the ADIN signals a move towards a comprehensive strategy to address issues of fragility in the North, and the strategy should help ensure that the actions of all actors including the state, local institutions, development partners and private sector are integrated, coherent and well-coordinated. Moreover, the Cabo Delgado Government created, in September 2020, a Provincial Commission for Social Support and Reconstruction to



From 16 October to 11 November 2020, over 14,400 internally displaced people arrived at Pemba's Paquitequete beach by boat. Boat arrivals to the provincial capital peaked with 29 in a single day in late October. UN Mozambique/Helvisney Cardoso

coordinate the efforts and different relocation and resettlement plans at the provincial and district levels, in close liaison with humanitarian organisations operating in the region.

### **A CHALLENGED SOCIO-ECONOMIC SITUATION WORSENERD BY THE CONFLICT**

Cabo Delgado has an area of 82,625 km<sup>2</sup> and a population of 2,320,261.<sup>150</sup> It borders the Mozambican provinces of Nampula and Niassa as well as neighbouring Tanzania. The province comprises 17 districts, Pemba is the capital, and other important cities include Montepuez and Mocímboa da Praia.\* The area has the lowest HDI score in the country, and it is the only region that saw its poverty levels increase in the last decade. The number of people below the money-metric poverty lines defined for Cabo Delgado increased between the two latest budget household surveys.<sup>151</sup> COVID-19 is expected to aggravate the socio-economic context of the region as 38% of its business faced a temporary or permanent closure. Cabo Delgado has an HIV prevalence of 12.0% and approximately 170,000 people PLHIV.<sup>152</sup> Cabo

Delgado also reports cholera annually. Cholera was reported from 7 districts of Cabo Delgado during 2020 with cumulatively 2690 cases, 38 deaths reported. In 2021, a significant surge is observed with 5 of 17 districts having reported 2971 cholera cases and 16 deaths by 7 March.

The rapid escalation and intensification of the conflict further reinforce poverty and the humanitarian crisis when increased poverty levels could increase the desperation of families and broaden the support base of the NSAG.<sup>153</sup> The conflict already contributed to a record economic slowdown in the province, and the longer it lasts, the more entrenched it becomes and the higher the human, social and cultural costs. The violence, displacements and consequent loss of livelihoods are increasing food insecurity both for displaced populations and their host communities. Simultaneously, the province had not yet recovered, and many people remained displaced as a consequence of the 2019 Cyclone Kenneth. On December 18, 2020, a new Humanitarian Response Plan for Mozambique was launched, targeting a total of 1.1 million people out of the 1.3

\* The 17 districts are: Ancuabe, Balama, Chiúre, Ibo, Macomia, Mecúfi, Meluco, Metuge, Mocímboa da Praia, Montepuez, Mueda, Muidumbe, Namuno, Nangade, Palma, Pemba, and Quissanga.

million people in need. The Plan seeks a total of USD 254.4 million to assist the targeted people in need in Cabo Delgado, Niassa and Nampula with urgent lifesaving and life-supporting activities.

Women and girls are disproportionately affected by the conflict in northern Mozambique due to their pre-existing vulnerabilities. There has been a noticeable gender imbalance in the demographic of IDPs. Both in formal IDP centres and in communities where displaced civilians live with host families, observers routinely note that women and girls appear to outnumber men and boys.<sup>154</sup> The overall number of people displaced by the armed conflict in Cabo Delgado rose to more than 732,200 of which 77% were women and children at the end of April, while there were 2,733 unaccompanied minors, 2,912 pregnant.<sup>155</sup> A study carried out in February 2021 by the Associação Mulher, Lei e Desenvolvimento (MULEIDE) in Cabo Delgado, found that women IDPs experience various limitations, including insecurity, increased burden of unpaid domestic work, lack of resources/access to land, and discrimination, among others. Evidence from Cabo Delgado reveals that violent groups are exploiting existing gender inequalities and ideas around traditional or 'ideal' roles for women and men in their recruitment materials and propaganda.

#### **WEAK GOVERNANCE AND A DEGRADING SECURITY SITUATION**

While external ideological influences and spoilers may have triggered the violence, political and economic exclusion fostered a sense of alienation and disenfranchisement among certain groups. Grievances are built on decades of developmental neglect and poor service delivery, as well as traditional ethnic and religious divides. A combination of this regional poverty, lack of decent employment, particularly for the youth, and the lack of education have allowed insurgent leaders to exploit feelings of disenfranchisement and marginalisation among local communities. Until last year, the response by national authorities was primarily security-based, and allegations of human rights abuses by the security forces are exacerbating the distrust and making locals more prone to radicalisation and recruitment. This sense of grievance is intensified by limited avenues for dialogue and peaceful contestation, civic engagement, and citizen's voice, particularly among youth. Mixed progress on decentralisation, weak mechanisms for transparency and accountability have had implications for public trust, undermining state-society relations and impacting the social contract.

The discoveries of Africa's third-largest LNG reserves in the North had underscored hopes for recovery and growth. However, these risks are impeded both by the ongoing violence as well as by the pandemic. In addition, the prevailing distrust spread the idea that the exploitation of the LNG reserves would only favour foreign companies, with little to no rewards, in terms of job creation, taxes, and local companies' development. Hostilities and the prevailing insecurity have prompted some of the LNG majors to scale back their operation in Cabo Delgado, including Total, which suspended twice construction work on its USD 20 billion project.

Thus far, the conflict has been concentrated in six districts of the Cabo Delgado Province but reports increasingly point out its cross-border nature, mostly connected to insurgent movements along the coast from southern Somalia to northern Mozambique. There are allegations that ASWJ has become a more effective organisation thanks to the support from international terrorist groups, actors linked to organised crime, and local support from businesspeople and parts of the population in Mozambique and Southern Tanzania. In particular, the group would receive weapons and reinforcements from international jihadists through the porous border with Tanzania. The transboundary nature of the conflict is demonstrated by reported recruitment patterns of the armed group. But limitations in data make assessment of impacts of the conflict on border regions, cross border movements and border management challenging. In parallel, cross-border trade and movement of people and goods is a key resilience and developmental mechanism for borderland provinces and communities. For many in Northern regions of Mozambique, border crossings on weekly or even daily basis are vital for food, medical care and schooling – and livelihoods generally. While specific evidence is lacking, conflict and related border restrictions are likely to have affected access to services.

## 2. National vision for sustainable development

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The long-term prospective vision of Mozambique is articulated in the National Development Strategy 2015-2035<sup>156</sup>, issued in 2014. Its overall vision is for Mozambique to become a “*prosperous, competitive, sustainable, secure and inclusive country*”. Policymaking, rather than just the proliferation of projects is presented as the tool to achieve this vision. The stated mission is “*to achieve development by means of integrated policies oriented towards wealth generation, so as to improve the living conditions and a fair distribution of national income*” through the structural transformation of the economy, expanding and diversifying its base, strengthening the business sector including small and medium enterprises (SMEs), forming human capital, scientific and technological research and development.

The strategy has a monitoring and evaluation framework with quantified targets across various sectors including economic, social and governance. Key objectives by 2035 include increasing the percentage of poor and vulnerable households benefiting from social protection (from 9% to 75%) and from sanitation (from 24% to 70%), improving schooling (doubling completion rates and increasing net enrolment and technical and professional education), reducing chronic malnutrition to 10% by 2023, and child undernourishment, eradicating or virtually eradicating malaria and ending AIDS as a public health threat, and reducing child and maternal mortality. Overall, the National Development Strategy envisions improving life expectancy from 51 years in 2014 to 65 years by 2035.



Portrait of a woman performing one of many activities provided for the women and girls that frequent the women-friendly space in Metuge District, Cabo Delgado Province. UNFPA/Mbuto Machili

The vision is operationalised by 5-Year Government programmes, the current one covering the period 2020-2024<sup>157</sup>, approved in 2020. The Plan states that a focus on peace maintenance, inclusive and sustainable growth, economic and social stability, dynamization of productivity and competitiveness of the economy, climate change, and promotion of the entrepreneurship and technological innovation. However, the 5-year Plan identifies objectives organised into three overarching priorities:

- > **DEVELOP HUMAN CAPITAL AND SOCIAL JUSTICE:** which includes objectives on education, health, youth and gender.
- > **STEERING ECONOMIC GROWTH, PRODUCTIVITY AND EMPLOYMENT GENERATION:** with objectives on balanced macroeconomic and public financial management, promoting trade, strengthening the competitiveness of micro, small and medium enterprises improving the business and investment environments, modernization, agriculture, transport, tourism, extractives, science, technology and infrastructures.
- > **STRENGTHENING THE SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES AND OF THE ENVIRONMENT:** including objectives around territorial planning, conservation, environmental quality, vulnerability of communities, infrastructure and the economy to climate risks, transparency and sustainability of extractive activities and monitoring capacity.

Furthermore, the Plan has three pillars on governance to provide the foundation for effective governance to deliver on the economic, social and ecological priorities. The pillars are:

- Strengthening democracy and preserving national unity.
- Promoting good governance and decentralisation.
- Strengthening international cooperation.

Since adopting Agenda 2030 in 2015, Mozambique has taken essential steps to integrate the SDGs into the national planning framework, policies and instruments at the local (provincial, district and municipal) level and has introduced mechanisms and institutional arrangements for an inclusive approach. A cross-sectoral SDG Reference Group was established, bringing together the Government, the Assembly of the Republic, international cooperation partners, CSO, academics and the private sector. In the context of the country's first Voluntary National Revision on the SDGs conducted in 2020, the Government also adopted a National SDG Indicator Framework to track progress towards the most relevant national targets in a process led by the MEF and the National Statistics Institute. It includes targets for all goals except Goal 12 (Responsible Consumption and Production) and Goal 15 (Life on Land).

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## 2.1 LINKAGES AND SYNERGIES BETWEEN SDGS

While all SDGs are important, some can stimulate and support others, influencing resource allocation and policy priorities. For instance, malnutrition among under-five-year-olds loops in challenges faced by the public health sector, but it also raises concerns of food insecurity linked to Goal 2. Thus, good health and well-being (Goal 3) are fundamental in assessing poverty levels (Goal 1).

From the prosperity standpoint, Investment in Industry, Innovation and Infrastructure (Goal 9) can have a positive impact in stimulating the economy through the creation of decent and new jobs (Goal 8) while at the same reducing inequalities between regions (Goal 10). However, it is fundamental to ensure the process is inclusive with policies and frameworks that involve the most vulnerable. Thus, addressing cross-cutting issues such as gender

inequality and ensuring economic empowerment of women and young girls, who tend to be disproportionately disadvantaged, is an essential part of this process.

Human development and especially investment in human capital through investment in education, health, nutrition, protection, and WASH services contribute significantly to prosperity to the country today and in the future, especially in the demographic transition. Equally, poverty and inequality are closely linked.

Overall, to tackle some of the root causes, the Government of Mozambique and its partners should emphasise implementing necessary reforms to adequately respond to the population's needs and thus contribute to preventing

vulnerability and radicalisation. The need to create new job opportunities, especially for young people in the North, is particularly notable. Allocation of revenues to local development projects will

be critical. Within this context, the ADIN was recently launched but has yet to translate into an improvement of the lives of the most vulnerable populations.

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## 2.2 DATA GAPS

According to the World Bank's Statistical Capacity Indicator, Mozambique's statistical capacity is higher than the average of Sub-Saharan Africa at 62.2 in 2020, compared to a regional average of 57.1. Within social statistics, coverage of updated gender and reproductive health statistics is ranked as low. In Mozambique, demographic and social statistics strongly rely upon primary data collections from censuses and national household surveys. For the most part, census data are collected and processed using consolidated and standardised methodologies – the main exception being the non-adoption of international recommendations on disability statistics.

Censuses have been conducted at regular 10-year intervals since 1997, allowing for analysis of demographic trends and providing the basis for population projections at the district level (the latest revision covers the period 2017-2050). The main shortcomings of census data identified are timeliness and availability. The official census results were released in April 2019, almost two years after the enumeration. The results are publicly available in the form of tabulations, but there is no analytical census report. The availability of disaggregated data below the provincial level is limited, as is the subnational data and analysis for key indicators (infant mortality, maternal mortality, life expectancy, total and adolescent fertility).

Poverty and health national household surveys have generated a wealth of social and health statistics representative at the provincial level. The periodicity of these surveys (5-6- years or more) has not always been conducive to regular monitoring of the SDGs. The last fully-fledged Demographic and Health Survey was conducted in 2011. The next one is planned for 2021, while other health surveys conducted over the last decade have only provided a subset of health indicators (malaria, AIDS). Multiple Indicator Cluster Surveys were only realised in 1995 and 2008. Key survey-based development indicators, including the prevalence of undernutrition, unmet need for family planning and intimate partner violence, have not been updated with the frequency recommended by international standards (3-5 years). Availability

of external donor funding, natural catastrophes (cyclones Idai and Kenneth) and the suspension of National Institute of field operations at the beginning of the COVID-19 pandemic impact the ability to conduct surveys on time.

The availability of existing data sources affects Mozambique's capacity to report the progress against the SDGs (annexed table captures the data gaps per SDG). In early 2020, based on the National SDG Indicator Framework, the Institute of National Statistics released a compendium of SDG statistics for Mozambique, produced as part of the Mozambique Voluntary National Review process<sup>158</sup>. In terms of financing for development, the coordination and monitoring of external support remain a challenge. Data on the investment, both financial and technical assistance, provided to each SDG by development partners, NGOs, and other players is not systematic. However, the Government is upgrading its Official Development Assistance Financing Database (ODAMOZ) and including specific SDG markers.

Besides, it will be necessary for Mozambique to complement official statistics with unconventional data sources like Big Data, including geospatial data, citizens-generated data. Support in the collection of sex and age disaggregated data as well as in setting up a robust monitoring and evaluation system linking input/output indicators to results, in the context of the adoption of the results-based programming, as well as systematic data collection, including programme mapping and SDG investments, are critical for the country.



# 3. Regional challenges and opportunities

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**Mozambique's regional integration has been a crucial factor of development progress. According to the Africa Regional Integration Index<sup>159</sup>, Mozambique ranks second on its regional integration within SADC, only behind South Africa. Its score is higher than average on the free movement of people, macroeconomic integration and lower than average on infrastructural integration. The Maputo Development Corridor is considered the largest and most successful development corridor at the initiative of the SADC and is making a significant contribution towards regional economic integration. The existing and prospective corridors (Beira, Nacala and Mtwara) represent an opportunity to strengthen partnerships, including Public-Private Partnerships, and increase the region's attractiveness. The country's membership to the SADC commercial protocol, its commitment to the African Continental Free Trade Area (AfCFTA) and the opportunities arising from the European Union's Economic Partnership Agreement are also opportunities that could be further leveraged.**

The Government announced the ratification in 2021 of the AfCFTA, which aims to reduce tariff and non-tariff trade barriers between African states. Like other African economies, Mozambique has a unique opportunity to tap into this growing regional demand and maximize the benefits of the AfCFTA. Southern African economies seem particularly well placed also for accelerate integration and develop value chains at the subregional level. As shown by the last Economic Report on Africa of the Economic Commission for Africa, within Africa, Southern Africa—followed by East Africa—is the most integrated. Southern Africa also displays the highest value of merchandise trade complementarity index which assesses how the structure of a country exports matches those of its imports from potential partners.

Despite the general trend of reducing tariffs and liberalization of cross-border movements of goods, Mozambique has to overcome many obstacles to reap the benefits of trade. A key challenge facing by Mozambique is the lack of national capacity to comply with the World Trade Organisation agreements and rules which are leading the global trading system, including on Technical Barriers to Trade and Sanitary and Phytosanitary measures. To effectively access international markets such as the EU market, Mozambique would need significant investments to establish a National Quality Infrastructure System and develop institutional infrastructure related to Standards, Metrology, Testing, and Quality to take better part in the global trade regime. Regarding the national market in Mozambique, a consequence of weak Standards, Metrology, Testing, and Quality infrastructure, the local population is exposed to various risks through sub-standard imported products as well as through the potential sub-standard quality of locally produced products.

Mozambique is a party in the Migration Dialogue for Southern Africa and the Global Compact on Migration which provide opportunities to strengthen cross-border collaboration and migration governance. This regional collaboration is essential to harness the potential of intra-regional population mobility and trade and address the current challenges including: inter-State cooperation in intelligence sharing and dismantling of trafficking and smuggling networks; facilitating labour migration with fair and ethical recruitment; strengthening cross-border coordination to facilitate the movement of people and goods while preventing and mitigating the public health threats, such as COVID-19 and other communicable diseases across borders.

The country has been engaged in south south and triangular cooperation (SSC), at times with the facilitation of the UN. Main SSC partners of Mozambique include Brazil, South Africa, in sectors like urbanisation, agriculture, rural development. Mozambique is also part, and the coordinator for implementing the group of Portuguese-speaking



Resilient houses are built in the new Mutua neighborhood, Dondo District, Sofala Province. The project is part of the United Nations Development Program's Reconstruction Mechanism in support of the Government of Mozambique's actions for recovery after cyclones Idai and Kenneth in 2019. UN Mozambique/Chris Huby

African countries and Timor Leste (PALOP-TL group) and the Government has adhered to peer review mechanisms such as the African Union Peer Review Mechanism. In economic policy, a continuous South-South policy dialogue would be significant for Mozambique to assess different options in developing its approach.

Regarding peace and stability, structures and institutions have been established to reinforce cooperation between the Heads of Southern African Police Corps, the Inter-state Defence and Security Commission and the Regional Centre for Peace maintenance. The situation in Cabo Delgado is testing the ability of SADC to identify and implement a necessary regional solution to the escalating conflict.

# 4. Financing landscape and opportunities

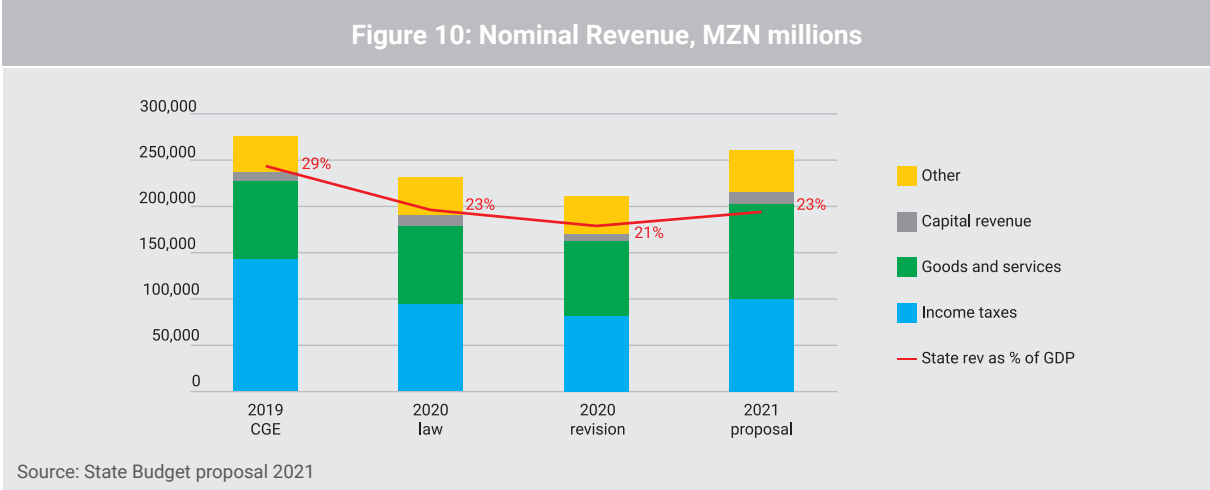
Multiple concurrent shocks to the economy and environment – the hidden debt crises exposed in 2016 and its ripple effects (withdrawal of donor support, devaluation of currency, austerity measures that compromised the delivery of social services), the humanitarian

disaster of 2019 caused by the cyclones Idai and Kenneth and the global shock caused by the COVID-19 pandemic – contribute to the challenging financing landscape in Mozambique

The country has the opportunity to estimate the cost of achieving the SDGs and the Agenda 2030 and partner with the UN to maximize financing (see annex 4). This is especially urgent as 30% of the country’s fiscal space is taken up by debt services. There is also a largely untapped opportunity to unlock financing from the private sector, Public-Private Partnerships, Corporate Social Responsibility and ear-marked financing for priority social sectors from capital intensive sectors like the extractives industries.

LNG could have a transformational impact on economic, social development and the quality of life of Mozambique people with the substantial increase tax and profit-sharing revenues but according to projections conducted by the MEF<sup>160</sup>, revenues would only significantly increase

starting from 2032. LNG represents a unique opportunity to provide accelerated growth and unparalleled chance to reduce poverty, increase job opportunities and address great social needs of the country, if the benefits and growth translates to and reach the Mozambican people but it also carries significant levels of risks. Those risks include environmental and climate change related issues (potential methane leaks during extraction, etc.), as well as the risk of relying on a very large extractive industry at the detriment of other sectors. The proposal of a new Sovereign Wealth Fund recently announced by the Government could play a role to ensure more stable LNG revenue management and facilitate poverty reduction strategy.



### DOMESTIC PUBLIC RESOURCES

Until 2019, the country made progress in pursuing public expenditure consolidation efforts through the rationalisation of public expenditures, investment projects, public sector administration and adopted a prudent borrowing strategy. However, the outlays linked to Idai and Kenneth cyclones responses, elections, Cabo Delgado conflicts and COVID-19 response, along with the continuous increment of the wage bill, have reverted this progress. The fiscal deficit is expected to widen to 9.1% of GDP in 2021 and 17.9% of GDP in 2020 (revised budget), against 6.1% of GDP reached in 2019 and this raises the concerns of debt sustainability.

Over the past decade, domestic resources have become the main source of resources to fund the national budget, with tax revenues representing the largest part (81% of the total Government revenue in 2021<sup>161</sup>). State revenue (excluding capital gains) experienced a slight decrease from 26.3% of GDP in 2015 to 24.0% of GDP in 2020 and is expected to be 23.4 % of GDP in 2021.

### DOMESTIC PRIVATE FINANCING

Domestic private contribution to development has been expanded over time, although the limited economic growth constitutes a barrier. As reported by the Central Bank, from December 2018 to September 2020, the total lending from commercial banks to the economy oscillated between USD 726 million to USD 662 million. Despite this 16% reduction commercial banks have been an important source of financing to the economy.<sup>162</sup>

### EXTERNAL PUBLIC FINANCING

From 2015 to 2019 bilateral lenders remained a main source of development funding where about 37% of the external debt is owed to China. Both bilateral and multilateral credit increased by 22% between 2015 and 2019.\*

Figure 11: FDI and ODA Flows, 2010 – 2019 (USD Millions)

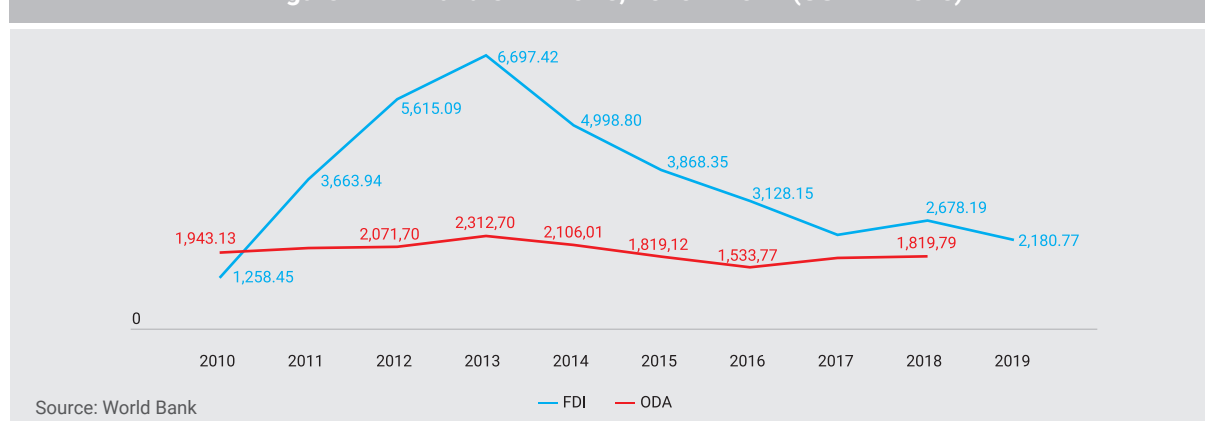
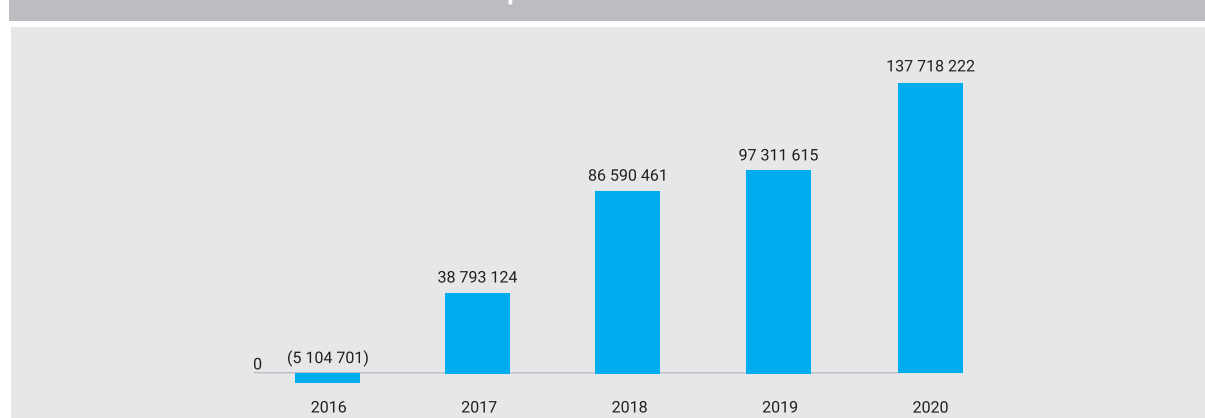


Figure 12: Difference between net personal remittances received and paid in current USD <sup>186</sup>



\* Considering the exchange rate USD/MT. The increment in USD amount is 10.7%

**Table 4: External Public Debt, in million USD**

	2015	2016	2017	2018	2019	Var. % 2019/15
Multilateral	3,640.9	3,791.3	4,179.8	4,322.4	3,454.4	(5.1)
Bilateral	4,440.6	4,835.0	5,308.1	5,482.1	5,495.8	23.8
<b>Total</b>	<b>8,081.53</b>	<b>8,626.3</b>	<b>9,487.9</b>	<b>9,804.5</b>	<b>8,950.2</b>	<b>10.7</b>

Source: MEF, 2020

ODA remains the most valuable source of grants to Mozambique. In 2019, ODA amounted to USD 1.9 billion, equivalent to 13.1% of Gross national income.<sup>163</sup> Over 60% of the 2018-2019 average of ODA was dedicated to social sectors and 10% to humanitarian assistance. Although ODA has shown stability in absolute terms over the last decade, its role in the financing of the state budget has been decreasing slowly and has been losing its relative importance as a source for financing the state budget. Sector wide approaches are the preferential formal framework for development partners adopted for aid coordination and policy dialogue through sector budget support or common funds or project interventions. However, the hidden debt crisis led first to the suspension of budget support and when it resumed, it decreased. Still, according to the Global Partnership for Effective Development Cooperation, between 2016 and 2018, the use of national systems for the disbursement of ODA increased from 35% to 41%.<sup>164</sup>

### EXTERNAL PRIVATE FINANCING

FDI contributed USD 2.7 billion to the international inflows in 2018. Despite the potential means

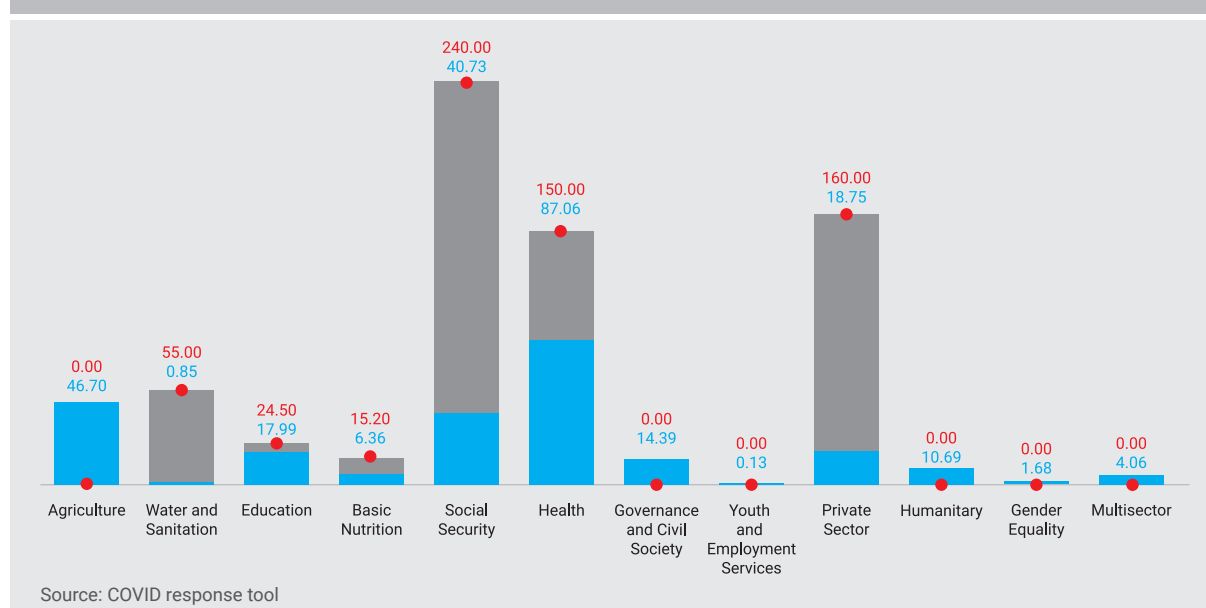
of financing the 2030 Agenda for Sustainable Development it has been contracting in the recent years, after years of spectacular growth.<sup>165</sup> For FDI to contribute to the sustainable development of the country, it is critical that the Government focuses on identifying, attracting funds in key sustainable development sectors investment such as renewable energy and energy efficiency products and services, education, health, water and sanitation and others.

Net personal remittances from the diaspora have helped alleviate the impact of the multiple concurrent shocks on Mozambican households recording a significant increase in the differences between remittances paid and received in 2020 showing the increasing role of remittances in providing a cushion in the past years as GDP per capita growth has been negative.

### PUBLIC FINANCE MANAGEMENT

The efficiency of public spending continues to be challenging. Education had the highest execution rate of 93% in 2018, while in health the overall execution rate was 82%. In 2018, the execution

**Figure 13: Disbursed funds versus needs per sector (million USD) up to January 2021**



Source: COVID response tool



Health worker wears the new personal protective equipment delivered to the health clinic in Mabote District, Inhambane Province. Thanks to UNCDF Local Climate Adaptive Living Facility interventions, health clinics in rural areas were able to fully implement COVID-19 prevention measures across country. UNCDF/ Mbuto Machili

rate improved in WASH to 857% and declined to 77% in Social Action. With increasing demand for basic social services in the light of a rapidly rising population, there is an urgent need to increase the efficiency of spending in order to achieve better results with limited resources. A comparison on spending and outcomes in sectors like education and health shows that Mozambique spends more compared to its peers to achieve similar results.<sup>166</sup> But, spending is not equitable across provinces and does not target the poorest quintiles of the population effectively.<sup>167</sup> Mozambique has taken important steps in improving its Public Finance Management. Especially Fiscal risk and debt management has been strengthened in recent years due to debt crises. A major Public Finance Management reform is currently ongoing transforming the Government's planning to Programme Based Budget and Planning to strengthen effectiveness, efficiency and Results-Based Management.<sup>168</sup>

Access to capital at the local and rural level remains difficult in Mozambique. By mobilising, increasing and steering capital investment to, for instance, local resilient capacity building and adaptive infrastructure, while at the same time developing local public and (climate) finance capacities and ensuring social inclusion and accountability in the decision-making, budgeting and planning processes. This also provides for the ability to effectively respond to the public's needs posed by social, environmental and sustainability circumstances. Additionally, reinforcing capital, country-based investing systems with a gender and youth lens, can further increase these

marginalised group's access to capital, supply chains (goods and services), engagement in decision-making processes, their empowerment and capacity development. It is in this context that local Government fiscal capacities are supported - through the national public financial system - to finance local socio-economic development infrastructure through a decentralised, participatory approach to local plans and budgets taking into consideration the existing locally based development planning tools, including District Development Plan and Local Adaptation Plans.

#### FUNDING FOR COVID-19

Following the shock caused by the COVID-19 pandemic, the IMF approved a disbursement under the Rapid Credit Facility of USD 309 million to help Mozambique meet urgent balance of payment and fiscal needs. The credit represents close to 45% of the USD 700 million the Government seeks from the international community. Mozambique's other development partners have also signalled their intention to provide support, including USD 22 million in additional funds for the Pro-Saúde (Pro-Health) programme, and also USD 40 million from the Islamic Bank, USD 170 million from the World Bank for support to the health sector and social protection, and USD 54 million from the European Union for budget support.<sup>169</sup> To assist the Government of Mozambique and international partners better coordinate and plan their investments, an Operational Coordination Group established in March 2020, supported the development of a financial resource tracker. Up to January 2021, health, agriculture, social protection were the sectors with the largest disbursements.

# 5. Analysis of risks

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## 5.1 DISASTER RISKS IN MOZAMBIQUE AND THE HUMANITARIAN-DEVELOPMENT NEXUS

A key driver towards poverty is the country's high exposure to extreme climate-related events resulting in deaths, people missing and affected by disasters. Despite the number of affected people varying substantially from year to year - from 125 people per 100,000 in 2016 to 9,748.2 people in 2019 – the critical issue is that Mozambique remains one of the world's least resilient countries. The 2019 figures stemmed from two of the worst tropical cyclones ever recorded in Africa, Cyclone Idai in March and Cyclone Kenneth in April, which resulted in large-scale flooding that claimed at least 700 lives and displaced more than 100,000 people. Both cyclones made landfall during the critical harvest period, effectively wiping out the food supply of thousands of families, prolonging an already difficult lean season due to drought and leaving many without the prospect of another full harvest until the following year, further contributing to food insecurity.

A step towards mitigating the population's high vulnerability to natural disasters is the shift in policy design and implementation from treating every hungry season as an emergency requiring the mobilisation of public resources to recognise that predictable crises require predictable responses. As a result, policies and frameworks have begun to articulate the relevance of recurrent climate shocks as crucial drivers of trapping people in poverty and vulnerability with the Government's recognition of the potential role for social protection in emergencies in the National Basic Social Security Strategy 2016-2024.

In an effort to strategically plan for the short, medium and long-term reconstruction phases, a Five-Year Disaster Recovery Framework (DRF) anchored on the Build Back Better principles was developed by the Government with the support of humanitarian and development partners in 2019 and is currently under implementation.

Humanitarian and development partners worked together to ensure that the DRF could effectively capture the short-term recovery requirements of the people affected. Based on the Post-Disaster Needs Assessment and DRF, the UN established the Mozambique Recovery Facility, a five-year national programme in partnership with the Government with support from donors.

The Humanitarian Country Team (HCT) and UNCT aim to ensure a solid, comprehensive and coherent nexus between the ongoing humanitarian response and the early recovery/resilience phase, as well as peace, under the leadership of and in close coordination with the relevant Government counterparts (i.e., ADIN, Provincial Commission for Social Support and Reconstruction in Cabo Delgado, INGC for the emergency response's phase; and Cabinet of post-cyclone reconstruction (GREPOC) for the early recovery/reconstruction phase; MGCAS). Efforts will also include the work of CSOs as first responders and constant agents working on relief, protection and people empowerment, a top priority for humanitarian and development partners for the coming months and next year to ensure localisation and sustainability of the support to be provided.

The insecurity and humanitarian situation in the Central and Northern Regions combined with COVID-19 has increased protection concerns, particularly for women and children. The ongoing conflict had already limited the delivery of humanitarian assistance in the North and to the about 2.5 million people in urgent need of humanitarian assistance across the country due to the 2019 cyclones Idai and Kenneth.<sup>170</sup> Interlinked to the already ongoing humanitarian threats, the pandemic has affected the Government's capacity to address both the economic, the humanitarian crisis and the armed conflict in the northern region of the country, potentially creating further distance

and reducing trust between people living in already historically neglected regions of the country and

the central Government, with the increasing risk of recruitment of unemployed youth.

## 5.2. RISKS THAT MAY NEGATIVELY AFFECT THE ABILITY TO ACHIEVE THE SDGS AND MITIGATING FACTORS

SDGS	Risk area	Risk factors	Impact est.	Probability	Mitigating factors
16 17	<b>Political Instability:</b> Risks to the stability of established political and Government structures in the territory resulting from politically driven factor	Escalation of violence by unidentified NSAG in Cabo Delgado displacing people, disrupting livelihoods and access to basic services. Possibly spilling across the border to Tanzania.	●	●	Facilitate humanitarian action: special humanitarian visas, import of medicines and other relief items and equitable distribution. Establish a broad network of practitioners, scholars and policymakers to understand the dynamics of non-conventional violence and consider the outreach strategy towards armed groups and the risks of doing so to balance and sequence dialogue with both armed actors and unarmed communities.
		Deep-rooted political polarization resulting in escalation of violence by Military Junta, a splinter group of Renamo in the central region.	●	●	Engage in trust building activities with combatants, their families, communities and Government and assess reintegration needs of ex-combatants (pensions and income generating opportunities) and monitor impact of adopted measures.
		Peace process not inclusive discouraging disarmament.	●	●	Conduct actuary studies to determine the value of the pensions to ensure their inscription in the state budget.
		Decentralisation at provincial level compromised by inadequate allocation of competences to the provinces.	●	●	Support localisation of sustainable development agenda.
		Decentralisation at municipality level compromised by lack of financial resources.	●	●	Increase tax collection at the municipal level by improving intra and intersectoral coordination, creating local capacities for the constitution of tax registers and appropriate methodologies to determine rates and values of municipal tax rates.
		Ongoing decentralisation – with election of provincial Governors for the first time in 2019, nomination of Secretary of States with its own structure, in parallel to the Provincial Executive Council under the elected governor - affected by insecurity and COVID-19 delaying the conclusion of the division of labour between bodies and assignment of competencies with repercussion in planning and service delivery.	●	●	Support localisation of sustainable development agenda.
5 16 17	<b>Narrowing Democratic Space:</b> Risks to democratic and human rights institutions, and to civil and political rights resulting from shrinking civic space, exclusion, structural discrimination, repression, and intimidation	Limitations to the freedom of information in Cabo Delgado.	●	●	Support independent journalism and research.
		Unsolved murders/ harassment/ abduction targeting journalists/ researchers/ politicians stifling dissent and diversity of views.	●	●	Support Rule of Law.
		Community level and district level consultative councils not fully leveraged for participatory local economic planning with equal representation of women and youth.	●	●	Engage stakeholders to review and adopt measures to improve active dialogue.



SDGS	Risk area	Risk factors	Impact est.	Probability	Mitigating factors
1 5 10 17	<b>Eroding social cohesion, systemic gender inequality and discrimination:</b> Risks to social unity and equality resulting from direct and indirect discrimination, horizontal inequalities and demographic trends	Persistent regional and urban-rural inequalities in access and quality of public services, exacerbated by uneven distribution of infrastructure, functions and opportunities and climate change effects.	●	●	Review allocation mechanisms to ensure equity in investments/resources.
		Very young population, 45% younger than 15, and limited economic capacity and income generation opportunities to absorb about 500,000 new entrants into labour market each year.	●	●	Scale up investment and increased efficiency in delivery of economic and social services (higher education, industrial skills, R&D, and value addition and innovation made at local level).
		Unequal access to resources including land and revenue from natural resources (extractives, forests, fauna and wildlife).	●	●	Engage stakeholders to review management of natural resources and its benefits.
		Unplanned settlement and lack of basic services such as water supply, sanitation, waste management and drainage systems in urban/peri-urban areas.	●	●	Scale up investment in water resource management, supply and sanitation.
		Social stigma, lack of appropriate infrastructure and teaching methodologies holds back inclusion of children with disabilities into mainstream education and of PwD into the workforce.	●	●	Adopt Washington principles in data collection to support policymaking. Incorporate accessibility into building regulations.
		Low levels of integration of gender equality/gender analysis in national programs.	●	●	Support use of data/evidence in planning, monitoring and evaluation of policies/ programs.
		Social norms, practices and attitudes act as barriers to women participating in the public and political life at the community level, from entering higher education, vocational training, and senior positions in political and economic structures as well as to pursue their own professional careers, influencing the reproductive health decisions and gender power dynamics in families.	●	●	Provide incentives for girls' completion of schooling. Prosecute under-age marriage. Promote women's equal access to skills training, credit and employment, financial services. Support quality response services (judicial, security/protection, social and medical) staffed with knowledgeable, skilled and trained personnel, availability of safe spaces or shelters and, access to support groups.
		Inequalities and discrimination remain invisible due to lack of disaggregated data by sex/sexual orientation.	●	●	Support integration of disaggregated data into data collection.
16 17	<b>Regional and global influences:</b> Risks to the integrity, stability, safety and prosperity of the territory and its people as a result of the actions of external actors or the influence of external events	Management of nine transboundary rivers (eight of which are downstream)	●	●	Support regional engagement in management of transboundary rivers.
16 17	<b>Internal insecurity:</b> risks to the security of the territory, its people and infrastructure, and to the ability of the international community to operate effectively as a result of security issues	Insecurity in the Centre and the North of Mozambique limits freedom of movement impacting emergency and humanitarian aid to people affected by natural disasters and armed attacks.	●	●	Facilitate humanitarian action: special humanitarian visas, import of medicines and other relief items and equitable distribution.
		Prevalence of (transnational) organised crime including drug trafficking, trafficking in persons, illegal trade of wildlife and natural resources.	●	●	Strengthen the Rule of Law and separation of powers.

SDGS	Risk area	Risk factors	Impact est.	Probability	Mitigating factors
5 16 17	<b>Eroding Rule of Law and Impartial Justice System:</b> risk to the fair, effective and comprehensive implementation and application of the principles of justice, the Rule of Law and accountability from issues	Lack of access to justice and legal aid for women, child victims and rural population.	●	●	Strengthen the Rule of Law and separation of powers.
		Women face difficulties in accessing justice and instances of GBV, including rape, are often settled through traditional justice or privately through financial remuneration.	●	●	
		High number of number of defendants in pre-trial detention.	●	●	
		Intimidation (unsolved murders of journalists, activists, researchers, politicians), including during elections.	●	●	
4 5 6 7 9 11 17	<b>Infrastructure and access to social services and adequate housing:</b> risks to society and the population resulting from a lack of availability or limitation on access to physical infrastructure, and/or basic social services	Decreasing investments in physical infrastructure and expansion of social services outpaced by population growth.	●	●	Promote digital solutions to increase reach of social services and extend access to the internet to populations and businesses.
		Inequitable access to basic services, housing and infrastructure.	●	●	Review allocation mechanisms to ensure equity in investments/resources.
		Inadequate investment in resilient infrastructures and housing resulting in its damage and disruption of economic life and social services in aftermath of natural disasters.	●	●	Integrate resilience thinking in policies, programmes, regulations and consider incentives (fiscal and others) for resilient investment as well as support for its operationalisation. Engage with the private sector to promote resilient business opportunities and tapping into green financing. Support early warning systems. Strengthen the preparedness and adaptation capacities.
		Slow progress in improving accessibility for children and PwD.	●	●	Integrate accessibility thinking in policies, programs, regulations and consider incentives (fiscal and others) for investment as well as support for its operationalisation.
		Low coverage of information and communications technologies.	●	●	Leverage existing platforms (mobile phones) and support expansion of coverage.
		Inadequate transportation services in urban and rural areas.	●	●	Support enabling environment for private sector investment in transportation.
5 16 17	<b>Displacement and Migration:</b> Risks to the population and to the stability of the territory resulting from pressures associated with displacement and/or migration	Large movement of people fleeing insecure zones in Centre and North impacting livelihoods, access to public services and host communities and worsening the ex-ante crisis vulnerabilities.	●	●	Facilitate humanitarian action: special humanitarian visas, import of medicines and other relief items and equitable distribution.

SDGS	Risk area	Risk factors	Impact est.	Probability	Mitigating factors
3 17	<b>Public Health:</b> Risk to the population, the economy and stability of the territory resulting from actual and emerging health emergencies	COVID-19 expansion surpasses hospitalisation capacity.	●	●	Support measures such as wearing of masks and hand washing to limit contamination. Support analysis of data to understand vectors of transmission to develop targeted interventions.
		COVID-19 expansion reduces offer of non-COVID-19 health services.	●	●	Promote digital solutions to increase offer of non-COVID-19 health service, expand community responses and consider other outreach avenues (i.e., through pharmacies) and provision of medication for longer periods (i.e., HIV treatment).
		High number of preventable and treatable diseases (malaria, HIV, TB, HIV-TB and NCD) affecting disproportionately vulnerable populations including Adolescent girls and young women, women and children, and key populations.	●	●	Address inequalities and continue to scale up HIV prevention and treatment services through Differentiated Service Delivery Models, integrated services and community responses to reach populations left behind. Urgently address HIV-related stigma and discrimination, harmful gender norms and support other social enablers. Increase and sustain high level political commitment and ownership of the HIV response to reduce inequalities by 2025 and end AIDS as a public health threat by 2030. Strengthen and Integration of main NCD care at Primary Health Care level reducing treatment gap, improving the quality and scaling up healthy lifestyles' promotion on a multisectoral approach and collaboration. Support the establishment of health community services through community health sub- system to improve access health services by community.
2 17	<b>Food insecurity, agriculture and land:</b> Risk to people, agriculture, and/or production in the territory resulting from crop, food production, livestock and related issues	Prevalence of chronic food insecurity.	●	●	Scale up access to agricultural inputs, credit and equipment.
		Prevalence of chronic malnutrition.	●	●	
		Prevalence of acute food insecurity due to natural disasters and conflicts.	●	●	Food aid.
		Low agricultural production and productivity by smallholder subsistence farmers, which are the majority, practicing rain-fed agriculture with low/minimal access to inputs, technologies and markets contributing to food insecurity affecting a large proportion of the population and to land degradation - which further reduced agricultural productivity.	●	●	Adopt a comprehensive approach towards value addition to local crops, economic diversification, and expansion of agri-business, particularly related to food procession and conservation. Harness opportunities created by global and regional value chains, through increasing ability to engage in backward linkages, and value-added forward linkages.
		Weak food value chains with low level of local processing, inadequate storage space, high post-harvest loss and low product standards (no premium for quality products).	●	●	
		Competition for land exacerbating conflicts (CSOs report that Mozambicans in rural areas face the risk of being expropriated by extractive resources concessions or displaced by conflict or disasters).	●	●	Support a comprehensive land-registration and/or cadastral system and regulative institutions to make the land market socially sustainable and environmentally sound through land management and ethical principle with clear implementation guidelines. Consider criteria such as sustainability, subsidization, equality, efficiency, transparency, accountability, public participation and security in the governance of land tenure and urban land management.

SDGS	Risk area	Risk factors	Impact est.	Probability	Mitigating factors
5 12 13 14 15 17	<b>Environmental degradation and climate change:</b> Risks to the ecology of the territory, its ecosystem and its people resulting from issues associated with the environment, climate and natural resources	High exposure to natural hazards/ extreme weather events from rising temperature, rising sea-level, more extreme weather events (flood, drought) and greater variability in rainfall impacting health, social and economic conditions resulting in destruction of lives, livelihoods and infrastructure.	●	●	Support Local Adaptation Plans. Promote process of co-creating the future focusing on capacity to foresee/predict shocks and stressors rather than being only reactionary. Map exposure to natural disaster/climate conditions to support policy making. Integrate education on climate change mitigation and adaptation in school curriculum and activities. Build capacity for climate-related planning. Support early warning systems.
		Unsustainable management of natural resources impacting negatively social peace, livelihoods and biodiversity through inequitable sharing of its socio-economic benefits, beneficiation captured by a few, pollution, land degradation, deforestation, unsustainable fishing and unplanned urbanisation.	●	●	Shift towards sustainable management of natural resources.
		Extractive industry resulting in an enclave development of industrial investments while the rest of the economy remains underdeveloped and reinforcing unproductive rent-seeking and value capture.	●	●	Support transparency initiatives (EITI).
		Impact of extractive industries in the ecosystem not systematically documented and monitored results on negative impacts for health and livelihoods.	●	●	Adopt good practices in green economy, blue economy (including water resource management), brown economy and human settlements, become a carbon off-set market for countries exceeding their CO <sub>2</sub> targets.
		Concentration of settlements in low-lying coastal areas (sea-level rise could increase economic flood losses in Mozambique's major coastal cities fivefold between 2012 and 2030 <sup>171</sup> if no further adaptation actions are undertaken).	●	●	Increase the resilience of cities to the impacts of natural and human-made crises.
		Increased migration of the population to urban and coastal areas with adverse environmental consequences; desertification; soil erosion; deforestation; water pollution caused by artisanal mining and use of pesticides; pollution of surface and coastal waters; wildlife preservation (elephant poaching for ivory).	●	●	
		Biodiversity lost to climate change and expansion of extractives.	●	●	Mainstream the values of biodiversity and ecosystem services into decision-making following a structured approach to valuation - (i) measuring the provision of ecosystem services; (ii) determining the monetary value of ecosystem services; (iii) designing policy tools for managing ecosystem services - to help decision-makers recognise the wide range of benefits provided by ecosystems and biodiversity, demonstrating their values in economic terms.
		Ecosystem services lost to climate change and expansion of extractives.	●	●	
		Health-threatening pollution from agriculture (sedimentation, and pesticide and fertiliser runoffs), extractives activity (discharge of untreated waste containing heavy metals, hydrocarbons, etc.) and sewage and domestic waste (most of which is discharged without treatment directly to the rivers and sea).	●	●	Prioritise investments to reduce water pollution, provide clean water and to reduce soil degradation and deforestation. Support the implementation of environmental conventions and protocols. Identify and disseminate clean and safe mining practices amongst miners.

SDGS	Risk area	Risk factors	Impact est.	Probability	Mitigating factors
1 8 10 17	<b>Economic instability:</b> risks to the economic, financial and fiscal stability of the country, which could impact governance, social cohesion or people's ability to satisfy their needs	Current economic growth model is disjointed, inadequately diversified, highly vulnerable to terms of trade shocks and lacking economic linkages and value chain development, and as a result, GDP growth has little positive socio-economic impact.	●	●	Leverage economic and social policy measures to assist country pivot towards an inclusive and resilient economic model driven by domestic factors, unlocking higher economic impact from investment and implementing a strategic focus on reducing chronic food insecurity, promoting labour-intensity, increasing skills and access to the variables affecting standards of living (housing, energy, finance, assets, etc.) and reducing livelihood and household vulnerability. Involve stakeholders including Parliament and the most vulnerable in the discussion of the country's long-term vision and policies/programs for its implementation as well as a more equitable distribution of the country's prosperity.
		Weak governance oversight resulting in unsustainable debt limiting fiscal space.	●	●	
		Slow progress in diversification and lack of conducive environment for private sector growth.	●	●	
		Investment climate neglects FDI to productive sectors in favour of extractive sectors.	●	●	
		Low investment in the agricultural sector.	●	●	
		Mobility restrictions due to COVID-19 constraint demand in key sectors, like tourism, restaurants, education, retail, etc.	●	●	Provide liquidity assistance schemes. Provide guidance on health and safety standards to allow key sectors to operate. Increase firms' resilience by diversifying their sales channels, in particular going online.
		COVID-19 expansion disturbs supply chains of domestically produced goods and imported goods.	●	●	Promote intra-Africa trading based on value addition along the value chains of Mozambique's goods/services (electricity, commodities, gas).

\*Note: ● Low; ● Medium; ● High; ● Very high.

# Annexes

## ANNEX 1 - SUMMARY TABLE OF ROOT CAUSES BY PRIORITY AREA

Priority Area	Root Causes
Climate change	<p>Geographical and climatic position and diversity of Mozambique (semi-arid zones, proximity to flooding zones, proximity cyclones zone, namely the Mozambique Channel).</p> <p>Low altitude with many areas at sea-level.</p> <p>Country is crossed by rivers originating in central areas of the continent, with a tendency to flood.</p> <p>Inadequate preparedness and adaptation.</p> <p>Differentiated impact on lives, livelihoods and infrastructure of natural disasters.</p> <p>Destructive impact of mankind, particularly of most developed Nations, on the Planet, including its atmosphere, biodiversity and geology (Anthropocene).</p> <p>The country sits in two different tectonic plaques: the Somali plaque covers most of the country and the African plate where Tete and Manica are. This creates the risk of experiencing tectonic movements.</p>
Sustainable management of natural resources	<p>Opacity in certain mining projects (mining cadastre not being improved).</p> <p>Mega-projects in extractives with smaller socio-economic impact.</p> <p>Environmental protection legislation violated at the sites of extractive projects (as identified by the Environment Protection Agency) but no consequences for violations.</p> <p>Poor natural resources governance, including illegal trafficking of forestry, maritime and mining resources.</p> <p>Land grab and communities displaced from extractive sites.</p> <p>Rent-seeking/Allocation of extractives licenses to Maputo-based elite.</p> <p>Lack of access and control of natural resources for women and girls for management and protection including through securing land rights and ownership.</p> <p>Inadequate natural resources management capacity and strategies.</p>
Economic model transformation	<p>Decreasing diversification.</p> <p>Increasingly driven by enclave economies (extractives) not linked to the economic fabric of the country</p> <p>Inadequate capacity to cope with shocks.</p> <p>Endogenous shocks (e.g., hidden debt, corruption, conflict).</p> <p>Exogenous shocks (e.g., global commodity prices, natural disasters, pandemics).</p> <p>Volatile and cumbersome doing business environment.</p> <p>Policy and programme reactivity (responding to shocks) rather than proactivity (strategic planning for sustainability).</p> <p>Marginalisation of informal sectors, which occupy 80% of the population.</p> <p>Economic model does not generate sufficient employment opportunities, excessive reliance on FDI as opposed to endogenous sources of resilience and growth.</p> <p>Accumulation of extractives wealth in the hands of a few.</p> <p>Spatial inequality (lower investment and services in the North and Centre).</p> <p>Formal work opportunities across the provinces taken up by people from Maputo.</p> <p>Lack of effective taxation of wealth (real estate etc.).</p> <p>Inadequate investment in high-impact sectors like agriculture, fishing, and manufacturing.</p> <p>Decreasing investment (both domestic and foreign).</p> <p>Political economy of public spending allocation (South vs. Centre and North).</p> <p>Debt burden and fiscal space taken up by debt serving.</p> <p>Lack of a diverse, independent business class.</p> <p>Merge of political and business powers.</p> <p>The burden of care work and unpaid work falls on women and girls' shoulders.</p> <p>Inadequate real prioritisation of multidimensional poverty reduction, particularly in relation to women and children.</p>
Food insecurity (and malnutrition)	<p>Food Insecurity:</p> <p>Stagnant production volumes in the face of growing population.</p> <p>Inadequate storage.</p> <p>Destruction of harvests, plots and infrastructure, including the supply chains, by natural disasters and conflict.</p> <p>Land degradation due to lack of regenerative practices.</p> <p>Succession of Agricultural development projects rather coherence policy with sufficient scale.</p> <p>Inadequate development of inputs markets and irrigation.</p> <p>Malnutrition:</p> <p>Poor dietary habits and lack of access to information.</p> <p>Lack of physical and economic access to diversified diets (concentration on certain foodstuffs).</p> <p>Comparatively low adherence to breastfeeding.</p> <p>Inadequate access to clean water and improved sanitation facilities, generating waterborne diseases like cholera.</p> <p>Inadequate coverage of fortification and supplementation programmes.</p> <p>Teenage births.</p>

Priority Area	Root Causes
Gender equality	Patriarchal culture. Negative gender power relations. Discriminatory sociocultural norms and practices. Structural discrimination and institutional GBV. Women valued exclusively for sexual, reproductive and productive purposes, resulting in barrier to fully enjoy rights. Weak law enforcement. Harmful practices. Culture of impunity. Feminisation of poverty. Persistence of high rates of GBV.
Effective governance/ Social contract	Corruption (hidden debts, etc). Low state presence and capacity in local areas to enforce the law. Constitutional reform agreed with Renamo leadership only instead of other parties and civil society. Lack of clarity and local knowledge around decentralisation. Need improved local capacity as well as need more accountability in planning, budgeting and investments in inclusive social and economic development. Need more social participation (and awareness) – women, men and youth – in the decision-making processes at all Government levels (local, provincial, central) in matters related to governance, accountability and inclusive provision of public services. Need more inclusive and accountable provisions of public services to youth, women and men, especially at local and rural level. Lack of protection/ enforcement of human rights (e.g., attacks to academics, activists, etc.) Inadequate Rule of Law and separation of powers. Initiatives for civic spaces/civil society participation have weakened in the recent years (e.g., Development Observatories, etc). Low culture of obedience to positive law (other means of resolution used including power, violence/force, traditions). Low presence of the Judiciary (only up to district capital) and case accumulation/ inadequate resources for fast processing of cases. Human rights institutions like Ombudsman are very recent. Others like Human Rights Commission are not adequately resourced. Impunity of violations from the top (e.g., hidden debts) to the bottom (e.g., child marriage). Constant “crisis mode”, “short-termism” forgoing a medium to long focus to sustainable development planning. Lack of women’s inclusion and meaningful participation. Persistent discrimination against some population groups as women and girls, disable, poor and other marginalised groups.
Democratic/Civic Spaces for participation	Initiatives for civic spaces/civil society participation have weakened in the recent years (e.g., Development Observatories, etc.). Inadequate awareness of fundamental rights (freedom of expression, freedom of participation, etc.) in the Constitution and human right treaties Mozambique is a party to. Lack of democratic culture (e.g., “taxation for representation”, etc.) COVID-19 and measures to cope with the crisis. Need greater citizen’s awareness of their civic rights and duties e.g., to hold governments (all levels) accountable in e.g., public services delivery. Need for greater and regular dialogue between all levels of Government and with citizens especially on needs, priorities, public resources management. Need support spaces and processes for engagement between citizens and public officials.
Peace and reconciliation	Socio-economic drivers of conflict (poverty, vulnerability, lack of occupational opportunities, low investment in services), discrimination of ideological/linguistic/ethnic groups, religious radicalisation, power concentration. Weak law enforcement and security capacity. Weakened social contract. Deteriorated social cohesion. Limited participation of women.
Youth disempowerment	Lack of occupational opportunities. Gender discrimination of girls. Lower rates of education of girls. Lack of awareness of right and access to information. Lack of agency and civic spaces and opportunities for participation and social and political life. Intergenerational injustice and inequality (future generations paying off illegal debts of current generation in power). Lack of inclusion of youth in decision-making.
Improved human well-being and capabilities	High prevalence of multidimensional poverty: major deprivations in housing, WASH, health, nutrition, education, energy, assets, etc. Vulnerability. Gender inequality. Discrimination of certain groups: children, elderly, etc. Population growth putting pressure on delivery of social services (health, education, social protection). Relative inefficiency of public spending in certain areas with multiple donors like health. Succession of short-term fragmented projects rather than sustainable long-term policy (when projects finish service decrease, for example youth and adolescent health centres). Inadequate implementation capacity to fully execute certain programmes on time (e.g., social protection). Low access to financial services. Household level dynamics (e.g., poverty traps) not addressed in some development programmes that focus on public services. Displacement of population and migration. Informal, unplanned human settlements.

## ANNEX 2 – MOZAMBIQUE SDG STATUS

Table 8: Mozambique SDG Status

SDG	Indicator	Value	Year	Rating	Trend
<b>SDG1 – No Poverty</b>					
	Poverty headcount ratio at \$1.90/day (%)	55.5	2020	●	→
	Poverty headcount ratio at \$3.20/day (%)	77.5	2020	●	→
<b>SDG2 – Zero Hunger</b>					
	Prevalence of undernourishment (%)	27.9	2017	●	↓
	Prevalence of stunting in children under 5 years of age (%)	43.1	2011	●	→
	Prevalence of wasting in children under 5 years of age (%)	6.1	2011	●	↑
	Prevalence of obesity, BMI ≥ 30 (% of adult population)	7.2	2016	●	↑
	Human Trophic Level (best 2–3 worst)	2.1	2017	●	↑
	Cereal yield (tonnes per hectare of harvested land)	0.9	2017	●	↑
	Sustainable Nitrogen Management Index (best 0–1.41 worst)	0.9	2015	●	→
<b>SDG3 – Good Health and Well-Being</b>					
	Maternal mortality rate (per 100,000 live births)	289	2017	●	↗
	Neonatal mortality rate (per 1,000 live births)	27.8	2018	●	↗
	Mortality rate, under-5 (per 1,000 live births)	73.2	2018	●	↗
	Incidence of tuberculosis (per 100,000 population)	551.0	2018	●	→
	New HIV infections (per 1,000 uninfected population)	5.3	2018	●	→
	Age-standardized death rate due to cardiovascular disease, cancer, diabetes, or chronic respiratory disease in adults aged 30–70 years (%)	18.4	2016	●	↑
	Age-standardized death rate attributable to household air pollution and ambient air pollution (per 100,000 population)	110	2016	●	●
	Traffic deaths (per 100,000 population)	30.1	2016	●	→
	Life expectancy at birth (years)	60.1	2016	●	↗
	Adolescent fertility rate (births per 1,000 adolescent females aged 15 to 19)	148.6	2017	●	→
	Births attended by skilled health personnel (%)	54.3	2011	●	●
	Percentage of surviving infants who received 2 WHO-recommended vaccines (%)	80	2018	●	→
	Universal health coverage (UHC) index of service coverage (worst 0–100 best)	46.0	2017	●	↗
	Subjective well-being (average ladder score, worst 0–10 best)	4.9	2019	●	↗
<b>SDG4 – Quality Education</b>					
	Net primary enrollment rate (%)	93.9	2018	●	↑
	Lower secondary completion rate (%)	22.8	2017	●	↓
	Literacy rate (% of population aged 15 to 24)	70.9	2017	●	●
<b>SDG5 – Gender Equality</b>					
	Demand for family planning satisfied by modern methods (% of females aged 15 to 49 who are married or in unions)	55.5	2015	●	↗
	Ratio of female-to-male mean years of education received (%)	54.3	2018	●	→
	Ratio of female-to-male labor force participation rate (%)	97.2	2019	●	↑
	Seats held by women in national parliament (%)	41.2	2020	●	↑
<b>SDG6 – Clean Water and Sanitation</b>					
	Population using at least basic drinking water services (%)	55.7	2017	●	↗
	Population using at least basic sanitation services (%)	29.4	2017	●	→
	Freshwater withdrawal (% of available freshwater resources)	1.8	2015	●	●
	Anthropogenic wastewater that receives treatment (%)	0.2	2018	●	●
	Scarce water consumption embodied in imports (m <sup>3</sup> /capita)	0.2	2013	●	↑
<b>SDG7 – Affordable and Clean Energy</b>					
	Population with access to electricity (%)	27.4	2017	●	→
	Population with access to clean fuels and technology for cooking (%)	3.7	2016	●	→
	CO <sub>2</sub> emissions from fuel combustion for electricity and heating per total electricity output (MtCO <sub>2</sub> /TWh)	0.5	2017	●	↑
<b>SDG8 – Decent Work and Economic Growth</b>					
	Adjusted GDP growth (%)	-6.5	2018	●	●
	Victims of modern slavery (per 1,000 population)	5.4	2018	●	●
	Adults with an account at a bank or other financial institution or with a mobile-money-service provider (% of population aged 15 or over)	41.7	2017	●	●
	Unemployment rate (% of total labor force)	3.2	2019	●	↑
	Fatal work-related accidents embodied in imports (per 100,000 population)	0.0	2010	●	↑
<b>SDG9 – Industry, Innovation and Infrastructure</b>					
	Population using the internet (%)	10.0	2017	●	→
	Mobile broadband subscriptions (per 100 population)	15.1	2018	●	↓
	Logistics Performance Index: Quality of trade and transport-related infrastructure (worst 1–5 best)	2.2	2016	●	●
	The Times Higher Education Universities Ranking: Average score of top 3 universities (worst 0–100 best)	0.0	2020	●	●
	Scientific and technical journal articles (per 1,000 population)	0.0	2018	●	→
	Expenditure on research and development (% of GDP)	0.3	2015	●	●
<b>SDG10 – Reduced Inequalities</b>					
	Gini coefficient adjusted for top income	53.9	2014	●	●
<b>SDG11 – Sustainable Cities and Communities</b>					
	Annual mean concentration of particulate matter of less than 2.5 microns in diameter (PM <sub>2.5</sub> ) (µg/m <sup>3</sup> )	21.3	2017	●	↗
	Access to improved water source, piped (% of urban population)	74.6	2017	●	↗
	Satisfaction with public transport (%)	58.3	2019	●	↑
<b>SDG12 – Responsible Consumption and Production</b>					
	Municipal solid waste (kg/capita/day)	0.6	2014	●	●
	Electronic waste (kg/capita)	0.6	2016	●	●
	Production-based SO <sub>2</sub> emissions (kg/capita)	5.7	2012	●	●
	SO <sub>2</sub> emissions embodied in imports (kg/capita)	0.4	2012	●	●
	Production-based nitrogen emissions (kg/capita)	6.6	2010	●	●
	Nitrogen emissions embodied in imports (kg/capita)	0.2	2010	●	●
<b>SDG13 – Climate Action</b>					
	Energy-related CO <sub>2</sub> emissions (tCO <sub>2</sub> /capita)	0.3	2017	●	↑
	CO <sub>2</sub> emissions embodied in imports (tCO <sub>2</sub> /capita)	0.0	2015	●	↑
	CO <sub>2</sub> emissions embodied in fossil fuel exports (kg/capita)	733.2	2018	●	●
<b>SDG14 – Life Below Water</b>					
	Mean area that is protected in marine sites important to biodiversity (%)	66.1	2018	●	↑
	Ocean Health Index: Clean Waters score (worst 0–100 best)	54.1	2019	●	↓
	Fish caught from overexploited or collapsed stocks (% of total catch)	19.9	2014	●	↑
	Fish caught by trawling (%)	14.1	2014	●	↑
	Marine biodiversity threats embodied in imports (per million population)	0.0	2018	●	●
<b>SDG15 – Life on Land</b>					
	Mean area that is protected in terrestrial sites important to biodiversity (%)	26.1	2018	●	→
	Mean area that is protected in freshwater sites important to biodiversity (%)	90.0	2018	●	↑
	Red List Index of species survival (worst 0–1 best)	0.8	2019	●	↓
	Permanent deforestation (% of forest area, 5-year average)	0.4	2018	●	●
	Terrestrial and freshwater biodiversity threats embodied in imports (per million population)	0.0	2018	●	●
<b>SDG16 – Peace, Justice and Strong Institutions</b>					
	Homicides (per 100,000 population)	3.4	2011	●	●
	Unsentenced detainees (% of prison population)	34.8	2018	●	→
	Percentage of population who feel safe walking alone at night in the city or area where they live (%)	53.2	2019	●	↗
	Property Rights (worst 1–7 best)	3.4	2019	●	●
	Birth registrations with civil authority (% of children under age 5)	55.0	2018	●	●
	Corruption Perception Index (worst 0–100 best)	26	2019	●	↓
	Children involved in child labor (% of population aged 5 to 14)	22.2	2016	●	●
	Exports of major conventional weapons (TIV constant million USD per 100,000 population)	*	0.0	2019	●
	Press Freedom Index (best 0–100 worst)	32.7	2019	●	↓
<b>SDG17 – Partnerships for the Goals</b>					
	Government spending on health and education (% of GDP)	9.1	2016	●	↑
	For high-income and all OECD DAC countries: International concessional public finance, including official development assistance (% of GNI)	NA	NA	●	●
	Other countries: Government revenue excluding grants (% of GDP)	*	23.8	2018	●
	Corporate Tax Haven Score (best 0–100 worst)	*	0.0	2019	●

\* Imputed data point



## ANNEX 3 – DATA GAPS PER SDG

SDG	Data gaps
General	<p>Outdated baseline data (for 15 out of 35 available indicators in the National SDG Indicator Framework, the latest data point refers to 2015 or earlier).</p> <p>Suboptimal availability of disaggregated data (9 out of 21 population-based indicators are not sex disaggregation in National SDG Indicator Framework, age disaggregation is not available in the public domain for 18 out of 25 indicators).</p> <p>Survey-based indicators are not disaggregated by demographic characteristics.</p> <p>Little subnational level data has been published from the 2017 census below province level (admin level 2+).</p> <p>Subnational level data not disseminated systematically.</p> <p>Disaggregation by other characteristics (occupation, income, migratory status, education, disability) available only sporadically.</p> <p>Disaggregated census data below provincial level is limited and does not use international recommendations on disability statistics (the Washington set of questions).</p> <p>Weak civil registration and vital statistics system.</p>
SDG 1. End Extreme Poverty	<p>Infrequent updating of key survey-based development indicators such as poverty headcount, national poverty line, GINI inequality indexes, the prevalence of undernutrition, unmet need for family planning, intimate partner violence etc.</p>
SDG 2. End Hunger	<p>Outdated indicators.</p> <p>Seven national surveys collecting nutrition-related data conducted between 1995 and 2015 used different sampling methodologies and most were not consistent with the SDG 2 adopted indicators.</p> <p>National SDG Indicator Framework does not monitor prevalence of anaemia in reproductive age women.</p>
SDG 3. Quality Health	<p>Neonatal mortality not collected since the 2011 DHS.</p> <p>2017 census of Mozambique did not include a 'verbal autopsy' applied to households with identified deaths to refine the estimation of maternal, as opposed to pregnancy-related, mortality as it was implemented in the 2007 census.<sup>172</sup></p> <p>The lack of metadata on the estimates of maternal mortality does not allow analysts to reconcile different indicators such as the maternal mortality ratio and the number and distribution of maternal deaths.</p> <p>Absence of an individual patient tracking system and multi-sectoral Monitoring and evaluation on the response.</p> <p>Gaps in data on community responses, coverage of prevention programming for key populations, viral load suppression, programmatic data on HIV transmission among pregnant and breastfeeding women.</p> <p>Cause of death not reported.</p>
SDG 4. Quality Education	<p>Data related to the patterns of school dropout among girls and boys at key stages of school transition.</p> <p>Data is available on the percentage of students who develop the necessary skills for the first cycle of Basic Education in reading and numeracy, but on the proficiency levels of students in primary and lower secondary education are not available.</p> <p>Data on school dropout rates, primary school pupil readiness, citizenship skills, coverage and quality of HIV and sexuality education based on school life skills, resources and environment.</p> <p>Data on proportion of children under 5 years of age who are on track in terms of health, learning and well-being, psychosocial, by sex and to assess knowledge and skills needed to promote sustainable development not captured in UNESCO's Institute for Statistics database or in the country's Education Information Management System.</p> <p>Data on literacy does not detail the participation of youth/adults.</p> <p>Although UNESCO's Institute for Statistics contains information on the percentage of students who have been bullied in the last 12 months and the number of attacks on students, staff and institutions, such data is not available in the country's Education Information Management System.</p> <p>Data to assess whether there is equal access to all levels of education and training for the vulnerable.</p>
SDG 5. Gender Equality	<p>SDG 5 has the lowest proportions of global indicators that are nationally available (36%).</p> <p>GBV data is inconsistent, of poor quality and fragmented and there is no harmonized data collection system<sup>173</sup>; femicide data not collected as GBV resulting in death is not counted as such, but more generically as homicide. While much of the available GBV data is disaggregated by age and sex, it is not disaggregated by different categories such as disability, LGBT+ identity or orientation, displacement status, and others.</p> <p>Premature unions and premature pregnancies only started being officially recorded recently.</p> <p>Data deficit on various practices such as harmful initiation rites, forced/early sexual initiation, violence against widows, sex for grades in schools, and other harmful gender-discriminating social norms.</p>
SDG 6. Safe water and sanitation	<p>WASH has not yet been incorporated into the national monitoring systems for health and education sectors.</p>
SDG 7. Affordable and Clean Energy	
SDG 8. Decent Work and Economic Growth	
SDG 9. Industry, Innovation and Infrastructure	<p>Lack of national capacity to produce updated and comparable industrial statistics.</p>

SDG	Data gaps
SDG 10. Reduced Inequality	Recent household data and labour statistics.
SDG 11. Sustainable Cities and Communities	Limited data available on urban areas and population and disaggregated data between urban and rural dimensions.
SDG 12. Responsible Consumption and Production	No target/indicator included in the National SDG Indicator.
SDG 13. Climate Action	<p>Only one indicator included in the National SDG Indicator Framework.</p> <p>Seasonal forecasts sometimes lack monthly updates and do not include forecasts for cyclones, temperatures and do not focus on sectoral sector outlooks.</p> <p>Lack of climate information products due to limited geographic coverage of hydro-meteorological network. Limited coverage of station data (especially in Gaza and Tete provinces) and only 27 of the 32 stations had sufficient temperature and rainfall data for statistical downscaling to be applied.</p> <p>Historical data stored on paper and often quality is poor requiring time to clean it before any analysis can be done.</p> <p>National Meteorology Institute network includes manned and automated weather stations, however, most of its automated stations are not functioning or deliver insufficient levels of information.</p> <p>Two Doppler radars were installed in the mid-2000s, but neither is fully operational.</p>
SDG 14. Life Below Water	Only one indicator included in the National SDG Indicator Framework.
SDG 15. Life on Land	No target/indicator included in the National SDG Indicator Framework, however, the <i>Strategy and Action Plan for the Conservation of Biological Diversity in Mozambique 2015-2035</i> established targets in line with Agenda 2030 and other international commitments.
SDG 16. Promotion of Peace, Justice and Efficient Institutions	<p>Limited quantitative and qualitative data on prison population and the weight of unsentenced detainees. The three main agencies in this area, the Office of the Attorney General, the Supreme Court and the National Prison Authority often report on different figures and reliable information disaggregated by sex-age-length of pre-trial detention is not available.</p> <p>Incomplete picture on IDPs because tracking the flow of people displaced by conflict at border crossing points limited by funding and access in the northernmost community's due insecurity.</p> <p>Lack of consistent data on needs of borderland communities to address border management issues such as displacement of people, trafficking and illegal trade of wildlife and natural resources.</p>

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## ANNEX 4 - SDG FINANCING

The country has not conducted an exercise to determine the cost of implementing Agenda 2030 and adopted a comprehensive strategy to mobilise funds. The opportunities to leverage funds for SDGs include:

- Continuing the reform of Public Financial Management Systems.
- Expanding donor's cooperation to benefit more from concessional loans and technical assistance.
- Improving Business environment to attract international and private investment supporting the realisation of sustainable development.

The use of other modalities should be explored, such as sectoral budget support, direct cash transfers, innovative bonds instruments, debt swaps, results-based financing, matching grants.

### FUNDING OF THE SOCIAL SECTORS

The Government contributes the major share of social financing and has committed to protecting the priority social sectors. The 2020-2024 National Development Plan allocates 65.2% of resources to the economic and social sectors (education, health, infrastructure, agriculture and rural development, judicial system, transport and communications, and social action & jobs). However, the current global COVID-19-induced economic uncertainty has led the Government of Mozambique to a restrictive approach to the budget to prioritise the provision of basic services to the population.

Over the last five years, public expenditures on essential social sectors generally remained stable around the 30% mark<sup>174</sup> in nominal terms. By regional standards, Government spending in social sectors in Mozambique is broadly aligned with existing patterns for Sub-Saharan Africa. It outperforms its regional peers on indicators for Government spending in education while remaining somewhat below regional standards in terms of its health sector domestic Government expenditure. However, social sector spending in Mozambique is significantly better when compared to its low-income country peers in the region.

Another important source of social financing is ODA. In 2019, on average, ODA funded 78.6% of social sector public investment in the budget,

with this share rising to 87.5% in education and 87.7% in the social action/assistance sector and being somewhat lower in health (76.9%) and the water sector (64.6%). Expenditures on HIV response in Mozambique have increased sharply since 2004 to reach USD 545 million in 2018, with an average annual growth of 18% between 2014 and 2017. Total spending on HIV increased by 7% from 2017 to 2018. However, Government spending on responding to HIV in 2018 was USD 12.1 million (2% of total HIV spending), and private sector contributions are very limited. 97% of HIV funding came from international funding entities. In particular, 82% of HIV funding came from the United States Government and the Global Fund.<sup>175</sup>

Finally, household expenditures on education, health, housing and other services account for a small but non-negligible share of social sector financing in Mozambique. Households devote on average 1.3% of their monthly expenditures to health services and 1.1% to education. These percentages are significantly higher for urban households than for rural ones.<sup>176</sup> According to the World Development Indicators, in 2017, the out-of-pocket payments for health services by Mozambican households represented 7.4% of total health expenditure in the country, a share significantly lower than neighbouring countries: Tanzania (24.1%), Malawi (10.6%), Zambia (11.8%), Zimbabwe (20.6%), South Africa (7.7%) and Eswatini (10.5%).

Mozambique has different systems in place to transfer funds from income from natural and mineral resources to communities. According to Mozambican legislation, since 2013, 2.75% of the royalties from mineral production are transferred to the district administration to benefit communities. The transfers reached 88 million meticaís in 2020. Also, 20% of the income from forest and tourism activities is transferred to communities organised in associations, representing 78.1 million meticaís in 2020. Independent studies and Government monitoring have pointed to weaknesses in selecting projects and their implementation, hindering the objectives of these mechanisms to improve livelihood and alleviate poverty.

Supporting and sustaining urban development is a challenge for Mozambique's urban authorities, responsible for investing in the construction, management and maintenance of urban infrastructure and services and coordinating the financing of these investments.<sup>177</sup> The application

of tools such as “Land-Based Financing (LBF)”, with instruments such as recurring taxes on land, land leases and land sales, transfer taxes and stamp duties,<sup>178</sup> could help the municipalities to meet the ever-growing demand for basic services and new infrastructure and the maintenance of existing infrastructure and services.

**ENVIRONMENT AND CLIMATE FINANCING**

The Government identified sustainable natural resource management and disaster risk reduction as a pillar for development for the first times in its 2015-2019 National Development Plan. However, institutional development, land, and territorial development were allocated the largest proportion of the state budget from 2016 to 2019. Environment and climate change had the smallest proportion and none in 2018 and 2019.

In the 2021 Economic and Social Plan, the proportion allocated to “Strengthening of sustainable environment and natural resource management” increased to 1.2% and 1.1% in 2020. However, it is directed to finance recurrent expenditure (salaries, goods and services) and none to investment.

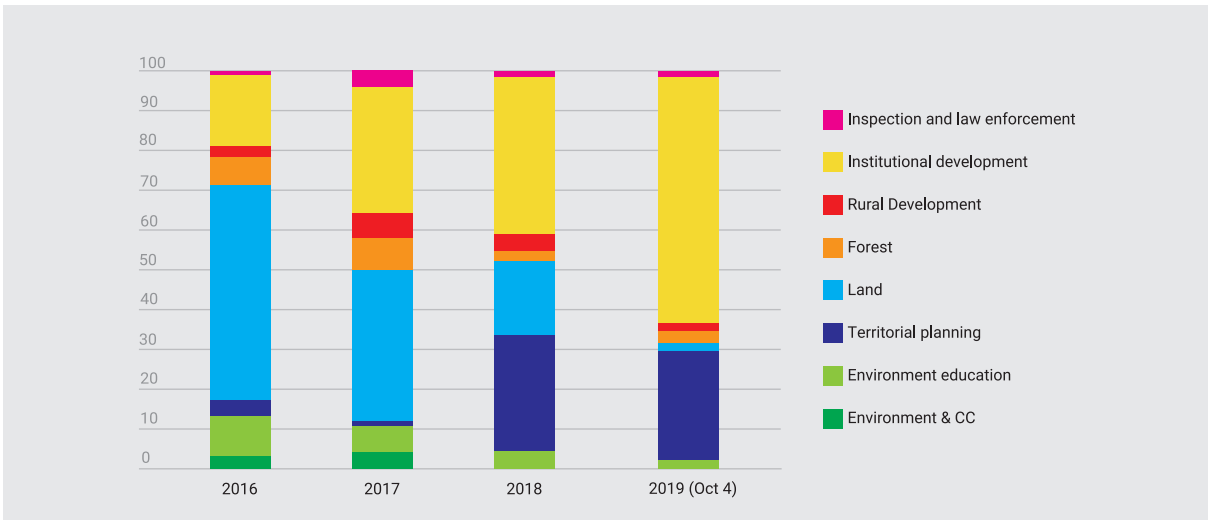
In the last couple of years, funds have been established to manage and finance the areas of environment and natural resources. The Fundação para a Conservação da Biodiversidade (Biofund) is a not-for-profit institution under private law,

set up in 2011, finances long-term investment in conservation with an endowment of USD 37.2 million in 2017 and through agreements with cooperation agencies (French Development Agency, the EU and the World Bank among them). The Fundo Nacional de Desenvolvimento Sustentável (FNDS), set up in 2016,<sup>179</sup> is a state-managed fund financed from land, forest, environment and some mineral resource activities as well as external funds from the World Bank and KfW\* (Figure 2). It manages and finances several large-scale environment projects, e.g., Sustenta, Mozbio, MOZFIP, TerraSegura and the establishment of a controlled landfill for the cities of Maputo and Matola.

International donors focus on conservation and biodiversity with commitments close to USD 200 million for 2020-2024 and less than USD 2 million for environment quality and landfills. According to WWF,<sup>180</sup> the protected areas in Mozambique are financed from 21% of domestic resources, 73% by international donors and 6% of other sources.

As one of the most climate-vulnerable countries globally, climate finance is critical to address the impacts of climate change through mitigation and adaptation measures and investments in Mozambique.<sup>181</sup> In total, 1.119 billion meticais were allocated from the state budget to internal investment to the Ministry of Land, Environment and Rural Development from 2016 – 2019,\*\* totalling 0.7% allocation to climate change. The

**Figure 14: Distribution of state budget for internal investment to different areas, Ministry of Land, Environment and Rural Development 2016 – 2019 (e-sistafe)**



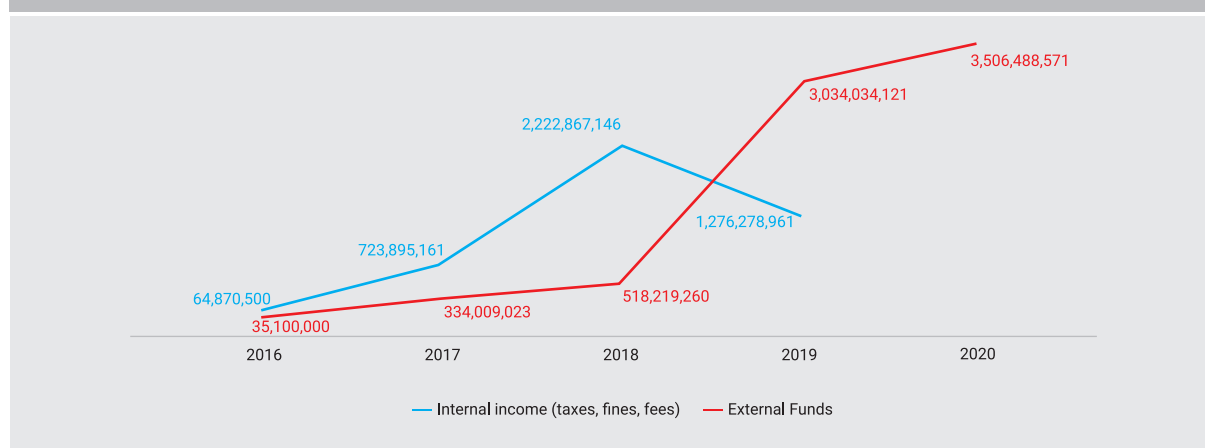
\* USD \$50 million was registered in 2020 data in E-sistafe, the government’s Financial Management digital platform.  
 \*\* e-sistafe

country has also benefitted from the following streams:

- > **GREEN CLIMATE FUND (GCF):** Two projects worth USD 44.45million, climate-resilient food security for women and men smallholders in Mozambique through integrated risk management national project and Blue Action Fund (BAF): GCF Ecosystem Based Adaptation Programme in the Western Indian Ocean, a multi-country project.<sup>182</sup>
- > **GLOBAL ENVIRONMENT FACILITY (GEF), INCLUDING THE LEAST DEVELOPED COUNTRIES FUND AND THE SPECIAL CLIMATE CHANGE FUND ADMINISTERED BY GEF:** 28 national projects totalling USD 117.96 million and 49 Regional/Global totalling USD 440 million.
- > **ADAPTATION FUND:** Mozambique has not received approval yet for a national project from the Adaptation Fund, but the country is part of the regional project “Building Urban Climate Resilience in South-Eastern Africa” benefiting the municipality of Chokwe.

Non-UNFCCC Mechanisms include the inclusion of climate finance in lending and operations of international development agencies and Multilateral Development Banks, Bilateral Funds amounting to more than USD 275 million towards adaptation and mitigation measures and implemented by various implementing entities from civil societies, UN agencies and Government agencies.<sup>183</sup> Mozambique’s private sector could also help advance the country’s climate action agenda, however, this requires a more robust and efficient legal and institutional framework, conducive policy environment and local capacity with expertise on climate finance.

Figure 15: State income and external funding managed by FNDS 2016 - 2020



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# Abbreviations

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<b>ADIN</b>	Agency for Integrated Development of the North	<b>IMF</b>	International Monetary Fund
<b>AfCFTA</b>	African Continental Free Trade Area	<b>INAS</b>	National Institute of Social Action
<b>AGYW</b>	Adolescent girls and young women	<b>INE</b>	National Institute of Statistics
<b>ART</b>	Antiretroviral treatment	<b>INGC</b>	National Institute for Disaster Management
<b>CCA</b>	Common Country Analysis	<b>LGBTQI+</b>	Lesbian, gay, bisexual, transgender, queer and intersex
<b>CEDAW</b>	Committee on the Elimination of Discrimination Against Women	<b>LNG</b>	Liquefied Natural Gas
<b>CNDH</b>	The National Human Rights Commission	<b>LNOB</b>	Leaving no one behind
<b>CSO</b>	Civil society organisations	<b>MEF</b>	Ministry of Economy and Finance
<b>DBR</b>	Doing business Report	<b>MGCAS</b>	Ministry of Gender, Children and Social Action
<b>DDR</b>	Disarmament, demobilization and reintegration	<b>MSME</b>	Micro, small and medium-sized enterprises
<b>DRF</b>	Disaster Recovery Framework	<b>NDC</b>	Non-communicable diseases
<b>DUAT</b>	Direito de Uso e Aproveitamento da Terra	<b>NSAG</b>	Non-state armed groups
<b>EITI</b>	Extractive Industries Transparency Initiative	<b>ODA</b>	Official Development Assistance
<b>EIU</b>	Economist Intelligence Unit	<b>PLHIV</b>	Persons living with HIV
<b>FAO</b>	Food and Agriculture Organization	<b>PoU</b>	Prevalence of Undernourishment
<b>FDI</b>	Foreign Direct Investments	<b>PwD</b>	Persons with Disabilities
<b>FNDS</b>	Fundo Nacional de Desenvolvimento Sustentável	<b>RENAMO</b>	The Mozambique National Resistance
<b>GBV</b>	Gender-based violence	<b>SADC</b>	Southern African Development Community
<b>GCF</b>	Green Climate Fund	<b>SDG</b>	Sustainable Development Goals
<b>GDP</b>	Gross domestic product	<b>SME</b>	Small and Medium Enterprises
<b>GEF</b>	Global Environment Facility	<b>SSC</b>	South-south and triangular cooperation
<b>GREP-OC</b>	Cabinet of post-cyclone reconstruction	<b>TB</b>	Tuberculosis
<b>HCT</b>	Humanitarian Country Team	<b>UNCT</b>	United Nations Country Team
<b>HDI</b>	Human Development Index	<b>UNDP</b>	United Nations Development Programme
<b>HIV</b>	Human immunodeficiency virus	<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>IDP</b>	Internally displaced persons	<b>UNSDCF</b>	United Nations Sustainable Development Cooperation Framework
<b>ILO</b>	International Labour Organization	<b>WASH</b>	Water, sanitation and hygiene
<b>IOM</b>	International Organization for Migration	<b>WHO</b>	World Health Organisation

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An internally displaced family at the center of an accommodation center in Metuge, Cabo Delgado Province.  
UNFPA/Mbuto Machii



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