







# Strengthening and Protecting Rural Livelihoods through Local Governments during the COVID-19 Pandemic in Mozambique



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#### United Nations Capital Development Fund (UNCDF) in Mozambique

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The Government of Mozambique is making sure that Local Governments have the necessary capacities to fight the spread of COVID-19, protect rural livelihoods and prevent the emergence of a widespread food insecurity emergency.

With financial support of the Government of Sweden and technical assistance of the United Nations Capital Development Fund (UNCDF), the Government of Mozambique has taken action to strengthen and protect the sustainability of rural families' livelihoods, which were already under the threat of climate change and now face the COVID-19 pandemic.

Through the Local Climate Adaptive Living Facility (LoCAL), the Government of Mozambique supports Local Governments' COVID-19 response for the continued provision of essential services and relief measures for local economies with the final objective of strengthening and protecting rural livelihoods.

Rural livelihood strategies are based on the use of natural resources to produce food and income. They are sustained by the provision of public services such as water, sanitation, health, roads etc. Under the impact of COVID-19, livelihood strategies, already affected by climate change, are under additional stress and require urgent support in order to prevent their breakdown that would lead to widespread poverty and hunger..



### Key dimensions of local government epidemic response

The rationale for local governments' involvement in the COVID-19 response is grounded in the overall logic of decentralized government, which produces improved outcomes in four areas: efficiency, equity, service delivery and legitimacy.

- ▶ Efficiency, and in particular allocative efficiency, is related to the fact that local governments have a better understanding of local needs than the central government. In the context of health crises and epidemics such as COVID-19, this allows local governments to allocate resources towards local needs in a way that maximizes their impact.
- ▶ **Equity** is achieved because local governments operate under more public scrutiny than the central government due to their proximity to the population. This leads to more effective management of

- investments and other financial resources for epidemic response, particularly for marginalized population groups and those in remote locations
- ▶ Service delivery by local governments uses the same information advantage and local knowledge that helps them achieve better efficiency and equity. Not only do local governments have a better understanding of the types of services and scope required by different population groups, they can also rely on local resources and expertise to produce such services and maintenance.
- ▶ **Legitimacy** of government is the foundation of the social contract that ensures social cohesion and stability. An epidemic, particularly if it lasts for some time, results in social and economic cracks that undermine this foundation.

US\$ 1
Million
provided by the
Government of
Sweden

US\$ 1
per beneficiary to finance:

**1 Million**Beneficiaries

Reliable Source of Water for People in Rural Areas

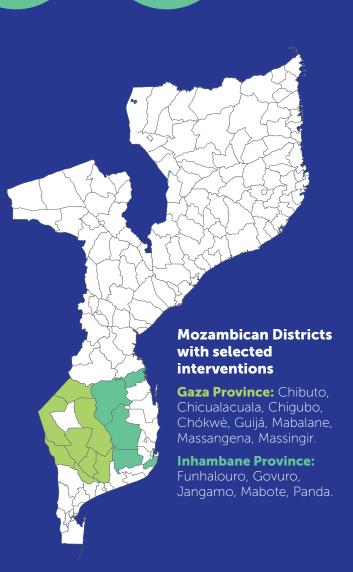
Provision of Essential Tools and Production Inputs for Farmers Direct Support to Families in Need

COVID-19 Isolation Centers in Rural Areas

Medical Equipment for Health Clinics Personal
Protective
Equipment for
nealth workers

In total, local communities in the 13 most vulnerable districts of the Gaza and Inhambane Provinces, covered by LoCAL, benefit from the support of the Government of Sweden facilitated by their Embassy in Maputo for the construction of climate-adaptive infrastructure in the midst of COVID-19 as well as for the preparation and response to the pandemic itself under the following interventions scope:

- ► Community awareness and mobilization is critical for effective epidemic response
- ▶ **Social protection measures** become crucial to prevent the disproportionate impact of an epidemic on the most vulnerable populations.
- ▶ Enforcement of public order and regulations to contain an epidemic is closely related to the community awareness and mobilization actions undertaken by local governments.
- Continued provision of essential services is the foremost responsibility of local governments
- ▶ Relief measures for local economies are designed to dampen the economic consequences of an epidemic, particularly in sectors likely to be amongst the hardest hit.



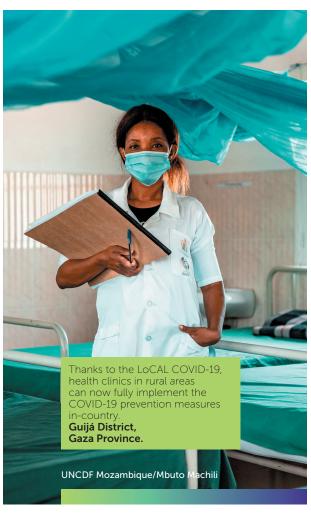


#### LoCAL Action delivers Local Results

Through this initiative the expected result will be "rural livelihoods protected and strengthened" to prevent the emergence of a widespread food insecurity emergency. The sustainability of the livelihoods of the rural families that will benefit from this initiative is already under threat from climate change. The situation is now made worse by the COVID-19 pandemic.

The local level interventions and technical assistance to be provided by this initiative will provide direct support to rural livelihoods according to the priorities of local and provincial governments. Interventions will principally focus the provision of safe water, improved sanitation and reinforcing irrigated agricultural and horticultural production systems as coping strategies are being stretched to the limit and thousands of families are at risk of hunger and abject poverty.

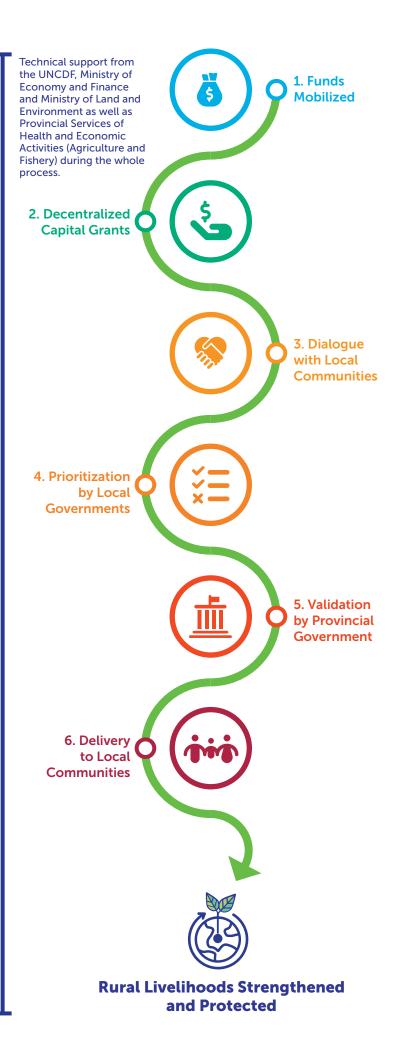
Direct support to health services will be provided on request from local governments. Assistance will be given to local governments to ensure effective lines of communication during implementation of this initiative. It is emphasised here that all actions will be implemented within the LoCAL programmatic framework already established in Gaza and Inhambane provinces, and these interventions will therefore be in the geographic area already being covered by the initiative and will be an integral part of the local government COVID-19 emergency response strategy.

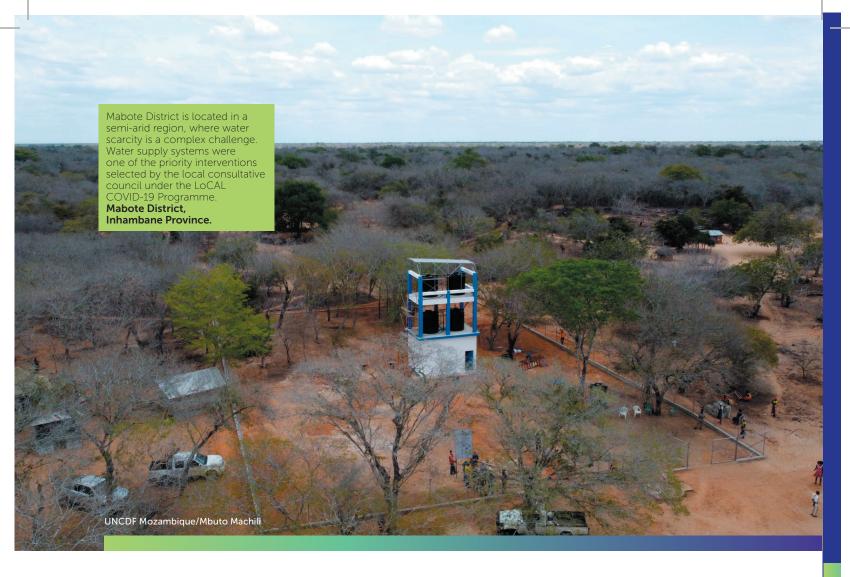


## Local Governments are on the frontline of the COVID-19 Pandemic: Their voices need to be heard

The process of selection and prioritization of the investment projects at the district level is carried out by the local governments in consultation with local communities through the Local Consultative Councils. The projects reflect local government and community priorities and their voices.

- **Funds Mobilized**: Funds are transferred to UNCDF.
- **Decentralized Capital Grants:**UNCDF transfers the funds to the
  Provincial Service of Economy and Finance
  in Gaza and Inhambane Provinces for
  operational budget support.
- Dialogue with Local Communities: Through the local consultative councils at the district level, an economic and political dialogue is established and the local communities themselves decide which interventions within the scope given will be implemented.
- Prioritization by Local Governments: Local governments confirm the selected interventions in a prioritization process that takes into consideration technical and financial aspects as well as statutory competences and responsibilities of local governments and their fiscal position.
- **Service** of Economy and Finance in Gaza and Inhambane Provinces validate the interventions and start the procurement process to deliver the assets and services selected by local communities.
- **Delivery to Local Communities:** During the delivery of assets and services to local communities at the district-level, Government officials seize the opportunity to raise awareness and sensitize communities on measures to contain the spread of the new coronavirus.





## The methodology to decentralize financial resources is carried out through existing government-led management tools and development approaches within the LoCAL development initiative:

- 1. Directly top-up transfer to the Provincial Service of Economy and Finance in Gaza and Inhambane for operational budget support to ensure the implementation of actions to protect and strengthen local livelihoods at risk from COVID-19; and
- 2. Through the national government public financial management system for capital grants to support identified and prioritized projects and activities that form part of a comprehensive COVID-19 response and simultaneously strengthen local livelihoods.

The financial resources made available for the implementation of these project-interventions are applied through the relationship mechanisms that already exist between the United Nation Capital Development Fund and the Government of Mozambique. This is all in compliance with the procurement rules in force in the country and speeds up the processes in the emergency framework and other devices adopted by the Government of Mozambique to face COVID-19 which are laid out in Government Decree 23/2020, of 27 April.



Understand local needs



Have a mandate



Bring together various actors

#### **UNCDF**

The UN Capital Development Fund makes public and private finance work for the poor in the world's 46 least developed countries (LDCs).

UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels:

1. Inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems that catalyze

- participation in the local economy, and provide tools to climb out of poverty and manage financial lives:
- 2. Local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and
- **3.** Investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.

#### LoCAL in Mozambique

UNCDF, through its government-led Local Climate Adaptive Living Facility – LoCAL, and with the technical and financial support of the Swedish Embassy in Mozambique is providing decentralized climate finance to local governments in the form of capital grants that are used for financing climate resilient, public sector infrastructural investment projects. Its objectives are:

- **1.** To build the capacity of Local Governments to provide quality public services to its citizens; and
- 2. To enhance, diversify and strengthen local livelihoods that are affected by climate change.

LoCAL understands that local bodies have the mandate to deal with many of the issues directly affected by climate change, such as drainage and water management, land use planning, road maintenance and other issues which affect food security.

LoCAL development methodology channels funds directly to the local level while providing incentives for local governments to mainstream climate-adaptive thinking into everyday planning and investment

#### LoCAL and the COVID-19 Response

It is within the **LoCAL** programmatic framework that additional technical and financial support can be provided to the local governments in Gaza and Inhambane to fight the spread of the COVID-19.

This support will enhance the number and improve the quality of the adaptive development interventions currently being carried out by the local governments themselves in collaboration with the Provincial Service of Economy and Finance and

the Provincial Service of Environment in Gaza and Inhambane provinces.

The articulation and close dialogue among the local government authorities and the Provincial Services of Health and Economic Activities (Agriculture and Fishery) are being enhanced to ensure that the livelihoods plans, budget and finance are aligned with the local communities social and economic needs in Gaza and Inhambane Provinces.



### More water, less walking, safer and healthier communities: Investing in Local Governments during COVID-19 in Mozambique

**Inhambane, Mozambique -** "Before the water supply system, the community suffered from water scarcity and had to walk long distances to neighbouring villages in search of the precious liquid", says Bernardo Pedro Matsinhe, leader of the village of Macura, Chitanga Locality, Mabote District.

Such was the distance to fetch water, that people stayed overnight in neighbouring districts like Govuro and Inhassoro, according to Matsinhe.

"In the village meetings, the local consultative council meetings, the administrative post consultative council meetings, as well as in the district-level meetings, the people have spoken on the lack of water in the village of Macura", continues Mr. Matsinhe.

Through the Local Climate Adaptive Living Facility (LoCAL), United Nations Capital Development Fund Programme (UNCDF) implemented by the

Water and soap are a priority; Now, I feel more protected from COVID-19 because I have water

Government of Mozambique, the voices and needs of local communities, such as that of Mr. Matsinhe and those of the inhabitants of Mabote District, are heard and essential public services are provided by the local governments themselves to communities to foster climate change adaptation and, now, also to fight against the COVID-19 pandemic.

#### The COVID-19 crisis exacerbates the impact of climate change

Mozambique is among the countries most prone to natural disasters in the world. The occurrence of those such as floods, cyclones, rising sea levels, coastal erosion, droughts and earthquakes have had a significant impact on the people and economy, with even greater intensity in recent years. Inhambane Province itself suffered from cyclone Dineo in 2017 and is currently facing drought in most of its territory.

The COVID-19 crisis exacerbates the impact of climate change. It puts at-risk the livelihoods of rural populations already compromised by the emergence of food and nutrition insecurity due to extreme weather conditions.

Water and soap are a priority; Now, I feel more protected from COVID-19 because I have water," says Rahele Johane, member of the Local Consultative Council in the Benzene Locality, Mabote District.

"[In addition] having a water source is important because at least we have water to drink, we can cook, wash clothes and water animals without having to walk several kilometers", continues Ms. Rahele.

The Benzene Locality as well as the Chitanga Locality are part of LoCAL's interventions in the Mabote District within the scope of strengthening the capacities of local governments to respond to the COVID-19 pandemic.

In many cases, interventions in the areas of water, hygiene and sanitation protect entire communities from COVID-19 while strengthening and safeguarding their livelihoods.

In total, local communities in the 13 most vulnerable districts of the Gaza and Inhambane Provinces, covered by LoCAL, benefit from the support of the Government of Sweden facilitated by their Embassy in Maputo for the construction of climate-adaptive infrastructure in the midst of COVID-19 as well as for the preparation and response to the pandemic itself.

#### **Mabote District: LoCAL action for local results**

Amid the uncertainty resulting from the global health crisis, the allocation of funds to the districts follows a participatory approach involving and seeking to meet the needs of local communities.

The process includes women and men who represent the communities within the districts and aims at improving accountability of the local governments on issues related to governance and socio-economic development.

"The most important thing in this process is to listen to the communities, what their concerns are"

"The most important thing in this process is to listen to the communities, what their concerns are", says H.E. Secretary of State for Inhambane Province, Ms. Ludmila Maguni.

According to the Mabote District Administrator, Mr. Carlos Eduardo Mussanhane, "the selection of projects is an instrument for multiplying participation and democracy at the local level".

Mabote District is located in a semi-arid region, where water scarcity is a complex challenge.

For the Administrator, the LoCAL Programme resources are essential, not only for the supply of drinking water, but also to catalyse development actions in priority sectors that impact the livelihood of local communities and reinforce the response to the demands arising from COVID-19 in the areas of water, hygiene and sanitation; education and health services, as well as smallholder's farming and rural livelihoods.

In addition to new water supply systems, members of the Mabote District Consultative Council decided to prioritize the acquisition of materials for the prevention and fight against COVID-19, including

personal protective equipment and thermometers for health workers.

Isolation tents were also purchased. The tents make up the only isolation center in the entire district that has an area of 14,000 km² and more than 45,000 inhabitants.

"Before, we didn't have an isolation area, so we could not comply with the protocol for health and treatment or COVID-19 preventive measures", comments Ms. Glória António Alfredo, Director of the District Service for Health, Gender, Child and Social Action.

For Ms. Glória, "if health personnel are prepared to deal with COVID-19 and with personal protective equipment, they protect not only themselves, but also the entire community".

"If we didn't have the isolation area, COVID-19 positive patients would be forced to cross the infirmary where other patients with other pathologies are. This would be very complicated because it would endanger the health of other patients", continues the District Director.

#### **Bridging the finance and capacity gaps**

Mabote District and Inhambane Province are clear examples of how close dialogue between local authorities and the Provincial Services of Health and Economic Activities (Agriculture and Fishery) has been strengthened through the LoCAL Programme. Its most significant result is the guarantee that plans to safeguard livelihoods, budgets and finances are aligned with the social, economic and health interventions selected and prioritized by the local communities themselves.

According to Ramon Cervera, UNCDF Programme Officer in Mozambique, "local governments are in a unique and privileged position to lead the planning and budgeting processes; At the same time, local governments promote and increase the articulation of emergency interventions to fight COVID-19 without losing the perspective of long-term social and economic development planning".

"Local governments are at the forefront of the COVID-19 pandemic; this is why UNCDF's decentralized technical support strengthens the capabilities of district governments to integrate COVID-19-related financial support into local planning and budgeting processes", says Ramon Cervera.

LoCAL Program field work is conducted in Mozambique by local authorities with supervision and direct support from the Ministry of Economy and Finance in coordination with the Ministry of Land and Environment, Ministry of Agriculture and Rural Development and Ministry of Health through their decentralized governance structures; and technical support by UNCDF.

All the activities of the LoCAL Program under COVID-19 are carried out thanks to the financial support of the Government of Sweden facilitated by their Embassy in Maputo.



Implemented by:







#### Technical assisted by:



Unlocking Public and Private Finance for the Poor

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