

Results strategy for Sweden's international
development cooperation with

Mozambique

2015-2020



REGERINGSKANSLIET

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**Government Offices
of Sweden**

Strategy for Sweden's development cooperation with Mozambique, 2015–2020

1. Direction

Within the framework of this strategy, Swedish development cooperation with Mozambique aims to make use of the increased interest and potential to utilise the country's natural resources in a socially, economically and environmentally sustainable way. It also aims to improve opportunities for people living in poverty to contribute to and benefit from economic and democratic development. The strategy is valid for the period 2015–2020 and comprises a total of SEK 4.1 billion¹.

Contributions within the framework of the strategy are expected to contribute to:

A better environment, limited climate impact and greater resilience to environmental impacts, climate change and natural disasters

- Transparent and sustainable management and use of Mozambique's natural resources
- Enhanced capacity of national and local authorities to contribute to a better environment, and greater resilience to environmental impacts, climate change and natural disasters
- Sustainable food security with particular focus on resilient agriculture
- Increased access to renewable energy and reliable and sustainably produced electricity for households, businesses and public activities

Strengthened democracy and gender equality, and greater respect for human rights

- Stronger democratic institutions and increased capacity in public administration

¹ This strategy governs the use of funds under appropriation item 9 'Africa' in the appropriation directions for the Swedish International Development Cooperation Agency (Sida) for each budget year.

- Mozambique's revenues to be mobilised, used and accounted for in a more transparent, sustainable and effective way that benefits the entire population
- Increased transparency, with a particular focus on citizens' access to information on political and public decisions
- Strengthened capacity in civil society to work for transparency, accountability and greater respect for human rights
- Improved opportunities for girls and young women to take independent decisions regarding their sexuality and reproduction

Better opportunities and tools to enable poor people to improve their living conditions

- Greater opportunities, particularly for women and young people, for decent work and productive employment and entrepreneurship
- Increased access to services and support, particularly for women and young people in rural areas, improving their opportunities to start and run commercial businesses
- Enhanced opportunities for actors, such as social partners and others, to work for rights in the labour market
- Improved access to social security for poor households

2. Country context

Mozambique is a country in rapid change. In the past twenty years, the country has gone from varying degrees of conflict to becoming one of the world's fastest growing economies. In this period, progress has been made in education, health and infrastructure. Mozambique's ample natural resources of natural gas, coal, hydropower, forests and agricultural land offer opportunities to strengthen economic development and make investments that, in the long term, will reduce poverty, provided development takes place in a sustainable way. Expanded free trade can also contribute to more effective production and increased employment as well as socially, economically and environmentally sustainable development in Mozambique.

However, considerable development challenges remain. More than half of the population lives below the national poverty line and there is extensive inequality. The education level is still low, and infant and maternal mortality continues to be among the highest in the world. There is a lack of respect for women's power over their own lives, and women and girls in rural areas are particularly subject to discrimination. Mozambique is among the ten countries in the world with the highest percentage of child marriages, and nearly half of marriages take place before the age of eighteen. Crises related to the climate and the environment, primarily flooding and drought, pose recurring challenges. The political system is still characterised by weak accountability and a lack of transparency. Corruption is widespread and there are shortcomings in the business climate.

The strategy is based on Mozambique finding itself in a transitional period over the next ten years, with a foundation being laid for a natural resource-based economy in coming decades. Large-scale extraction of natural resources is associated with considerable economic, social and environmental challenges. Therefore, conditions need to be fostered for sustainable natural resource extraction and inclusive economic growth, which also benefits poor people. The Government of Mozambique has announced a raised level of ambition for economic development and diversification, as well as sustainable use of natural resources.

In recent years, Swedish development cooperation has focused on democratic governance, agriculture, infrastructure and research. Sweden has also, through general budget support, contributed to the implementation of Mozambique's National Poverty Reduction Strategy which includes a focus on employment, increased agricultural productivity, health care, education and the removal of hazards remaining from the civil war, for example, through mine action. The Government sees a continued role for Swedish development cooperation in contributing to reduced poverty on the basis of long-term, sustainable and inclusive economic growth, as well as strengthened democracy. Swedish added value largely derives from the long-term character of Swedish involvement and Swedish know-how in sectors that are key to Mozambique's development.

3. Activities

Focus of activities governs the choice of partners and forms of cooperation. The basic approach is that the partners and forms of cooperation that contribute most effectively to achieving long-term sustainable results are to be used. Sida is to seek balance in choosing partners, for instance by supplementing cooperation with the state with cooperation to strengthen civil society. Long-term programme-based support, including general budget support to combat poverty and new results-based forms, can be combined with strategic and catalytic contributions and innovative financing. Agents for change should be supported.

Sweden is to promote coherent and effective aid coordination in Mozambique, above all by means of active participation in the EU's aid coordination and joint programming.

A perspective beyond aid is to be applied, and development cooperation with Mozambique is to contribute to, a successive reduction of Mozambique's aid dependence. In implementing this strategy, Sweden should therefore work for Mozambique to continue to increase domestic resource mobilisation and for revenues to be used effectively and transparently for development benefiting the whole population.

Poor peoples' perspectives on development and a rights perspective should permeate activities. Attention should be paid to, inter alia, gender equality, children's rights, and rights of other vulnerable individuals and groups that are subject to discrimination. An environmental and climate perspective is to permeate activities in order to promote long-term sustainable development. A conflict-sensitive approach is to be applied.

An important condition for development is access to high-quality research with relevance for combating poverty, based on national needs. Through its Research cooperation appropriation item, Sweden supports

the development of Mozambique's national research capacity². Synergies with research cooperation should be sought to promote knowledge and innovation in all results areas.

Synergies between the different areas of the strategy are to be harnessed as far as possible. Complementarity with other relevant strategies will also be sought.

Institutional capacity is an important condition for sustainable use of natural resources as well as transparent and sustainable management of revenues from natural resources. At the same time, civil society plays an important role in the promotion of accountability in connection with the use of natural resources.

Civil society also has an important role in the discussion on Mozambique's development priorities and in promoting greater respect for sexual and reproductive rights. Employment and entrepreneurship for young women is also strongly linked to sexual and reproductive health and rights (SRHR). The limited supply of electricity, as well as recurring environmental, climate-related and natural disasters, risk being inhibiting factors for job creation and for opportunities for people living in poverty to participate in economic development.

The strategy focuses on areas critical to future development in Mozambique and for this development to benefit people living in poverty. At the same time, the selected areas are marked by a high level of risk, as progress depends on willingness for reforms and political ownership. The development cooperation is to be designed so as to help prevent and combat corruption.

For forms of follow-up, please refer to the Government's Guidelines for strategies.

² Research cooperation is governed by the Strategy for research cooperation and research in development cooperation 2015–2021.

A better environment, limited climate impact and greater resilience to environmental impacts, climate change and natural disasters

Mozambique has extensive environmental and climate-related challenges, combined with inadequate implementation of environmental and land legislation. Natural resource extraction therefore risks having negative environmental impacts and causing social pressure on both land-based and marine ecosystems, including land that is required to support a growing population. Unsustainable exploitation of natural resources might have a range of negative effects, including on people's health and the environment, and risk greatly hindering the possibilities of achieving sustainable economic development and reduced poverty.

Despite a large expansion of the electricity grid in recent years, the supply of electricity is limited and unreliable, particularly in rural areas. There is a need to increase the use of different instruments for renewable energy, including renewable off-grid solutions.

Swedish development cooperation can play an important role in the development of sustainable electricity production and distribution, focusing on poor households and small enterprises, which also contribute to job creation and to increased opportunities for poor people to actively participate in and benefit from economic development. Sweden can use its role as an actor in the energy sector to work for policy reforms to promote private investments in renewable energy and reduce the risks of corruption. Regional cooperation is to be promoted.

Sweden can help support the capacity of national and local authorities to manage natural resources and natural resource extraction in a transparent and sustainable way, limit climate impact, and help reduce vulnerability to climate change, environmental impacts and natural disasters. Mozambique strongly prioritises crisis management and climate change adaptation. Sweden is to contribute to resilient and sustainable agriculture in Mozambique, with a particular focus on food security for vulnerable groups. In particular, the role of women as small-scale farmers is to be taken into account.

Strengthened democracy and gender equality, and greater respect for human rights

Transparent and effective public institutions, access to information, free and independent media, and opportunities for accountability are important conditions for a democracy in which different groups in society participate, including children and young people. Today, weak institutions, a weak public administration capacity and widespread corruption hinder people's possibilities to gain insight and call those responsible to account.

Sweden can play an important role in promoting strengthened democratic institutions and greater transparency and capacity in public administration. Sweden's comparative advantage comes, in part, from its experience of helping to develop institutional capacity. Sweden is to contribute to strengthening institutions and reforms that are particularly important for transforming Mozambique's revenues into development that will benefit all people. A transparent tax system and an effective system of public financial management are examples of conditions that are important in enabling Mozambique's development to increasingly be financed by domestically mobilised resources, and in combating corruption.

People in Mozambique have limited scope to influence the society in which they live, express themselves freely and participate in political processes. Civil and political rights are particularly curtailed at local level, where there is a significant lack of both information and knowledge about citizens' rights. There is no strong tradition of independent civil society organisations working to promote human rights and political participation. The scope for political participation and accountability may grow if people organise to demand their rights. Prioritised activities include contributing to a stronger capacity of civil society to work for respect of human rights and strengthening child rights, as well as strengthening the capacity to work for increased transparency and accountability.

Special focus should be placed on strengthening the empowerment of girls and young women, so that women and girls to a greater degree can

take independent decisions on their lives, sexuality and reproduction. One essential factor for achieving the expected results is to involve men and boys and to integrate the combating of gender-related violence in the activities. Broader cooperation with civil society can contribute to increasing young people's and local communities' knowledge about sexual and reproductive health.

Better opportunities and tools to enable poor people to improve their living conditions

Under-employment and unemployment are high in Mozambique, particularly among young people. For economic development to lead to more decent and productive job opportunities, micro, small and medium-sized enterprises must have greater opportunities to develop and employees must obtain enhanced opportunities to exercise their rights in the labour market. Major challenges include making small-scale agriculture more efficient and adapting it to market realities, and improving enterprises' access to infrastructure, corporate services and financing. The working age population needs to have better conditions for decent work and productive employment and for starting up their own commercial businesses. At the same time, it is necessary to improve social security for poor households to reduce their vulnerability.

Sweden's development cooperation is to focus on increasing people's opportunities to support themselves by decent work and productive employment and entrepreneurship. Sweden can, for example, contribute to an enhanced capacity for social dialogue and organisation among the social partners, and increased access to services and education, including labour market information, particularly for women and young people. Financial services and innovative contributions in information and communication technologies can play an important role. Swedish development cooperation can help promote economic, social and environmental sustainability, innovation and entrepreneurship, and strengthen women's opportunities to participate in the labour market.

Synergies are to be sought with the Swedish research cooperation with Mozambique, including the contribution of research to innovation which can promote reduced poverty and sustainable development.

In its support for the development of social protection systems, Sweden is to take into account in particular the situation of vulnerable women and children.