



Mozambique

Country Strategy 2019–2024

Imprint

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Introduction and summary

Mozambique's Five Year-Plan (Programa Quinquenal do Governo, PQG) 2015-2019 approved by the Council of Ministers on 17 February 2015 is the key medium-term strategy for all government sectors and their strategies and policies. It claims an integrated and cross-sectoral approach, focuses on inclusive and sustainable human development and establishes five priorities: 1. Consolidation of national unity, peace and sovereignty, 2. Development of human and social capital, 3. Promotion of employment, productivity and competitiveness, 4. Development of economic and social infrastructure, 5. Sustainable and transparent management of natural resources and the environment; and is focused on three Supporting Pillars: 1. Guarantee of democratic rule of law, good governance and decentralization, 2. Promotion of a balanced and sustainable macroeconomic framework, 3. Strengthening international cooperation.

For the first time, the PQG 2015-2019 includes indicators against which the government is to be measured. Following the national parliamentary and presidential elections in autumn 2019, a new Five Year Plan 2020 – 2024 is expected to be adopted in 2020.

The EU's 11th EDF **National Indicative Programme (NIP)** for Mozambique for the period 2014-2020, which amounts to € 734 million (the EU's second largest budget for an African state), was signed in November 2015 with the national authorities. Its objectives are 1) to promote the deepening of the democratic system, transparency, accountability and the rule of law and prepare public institutions to manage, allocate and spend future revenues, 2) to reinforce poverty alleviation through sustainable and inclusive growth, income redistribution, and the promotion of social stability and 3) to promote a conducive business environment to thrive and contribute to growth and inclusive economic development. The EU and its Member States are engaged in a Joint Programming exercise in view of improving harmonization and aid effectiveness in their development cooperation in Mozambique. Austria actively engages in this process and sees this Country Strategy and its implementation within this framework.

Austria's engagement in Mozambique develops within this context and builds on a longstanding partnership with Mozambique and the constructive cooperation with governmental institutions as well as non-governmental actors.

Directly aligned with Mozambique's programmatic priorities, the Austrian Development Cooperation (ADC) envisages a substantive impact on extreme poverty through targeted socio-economic improvements on both national and provincial level, and to contribute to the consolidation of effective peace and reconciliation in the country.

To do so, ADC will continue to engage in the following two thematic focus areas with equal emphasis: Sustainable Agriculture and Food Security; Water Supply and Sanitation.

Austria has focused its activities since 1992 in the Province of Sofala and the focus on this province will be maintained for the period of this strategy.

It will be based on the programmatic framework for cooperation in Sofala, the Strategic Development Plan of Sofala 2010 – 2020. It focuses on the reduction of Sofala's poverty rate from 58% to below 40%, through an increase in productivity, improvement of basic social services and public infrastructures, and political stability. ADC will focus its interventions on targeting women as beneficiaries of all its activities in particular as well as promoting an inter-sectoral approach through an extended nexus between food security, water usage, and sustainable energy solutions while considering also the long-term sustainability aspects of such a nexus approach.

ADC aims at strengthening Mozambique's capacities and hence will continue to foster partnerships with the national and provincial institutions and engage in regular policy dialogue through which wider involvement can be leveraged. This is coherent with ADC's principle of contributing to the strengthening of country systems which promote long term sustainability. In addition, ADC will seek complementary interventions with non-governmental development partners.

Review of Austrian engagement:

According to Austria's Three-Year Programme 2019-2021, Austria will undertake an overall review of its engagement with Mozambique in order to decide by the end of 2021 about its possible future engagement.

In case of a continuation of Austria's engagement, ADC activities will follow this strategy until 2024. Should Austria decide to phase out its development cooperation in Mozambique, an applicable exit scenario will be defined until the end of this strategy in 2024.

1. Background

ADC started in Mozambique after its independence in 1975. Since then, ADC has continuously supported development initiatives in the country, especially in rural areas. In 1992, Mozambique became a priority country of the ADC and the Province of Sofala Austria's focus area of intervention.

Overall, Mozambique has lately experienced a decline in some international development indices despite having experienced reductions in average poverty over the last twenty years, from about 70% of the population living in poverty in 1996/97 to 46.1% in 2014/15¹. The *Human Development Index* for 2017 (0.437 out of 1) puts Mozambique in the "low human development" category (rank 180 out of 189) with which this Least Developed Country (LDC) remains one of the poorest countries in the world. Transparency International's Corruption Perception Index of 2017 further deteriorated, ranking the country 157 out of 183 states. The more differentiated Ibrahim Index of African Governance 2018 sees Mozambique (overall 25th out of 51 African countries) with negative dynamics in the areas "participation and human rights", "safety and rule of law" and "sustainable economic opportunity" but a positive trend in "human development".

Important socio-economic indicators seem resistant to change. There has been encouraging progress on reducing child mortality, almost halving the rate from 171 in 2000 to 78.5 in 2015, but under-nutrition is a widespread and persisting challenge. Mozambique has one of the world's highest rates of chronic malnutrition (over 43% of all children are stunting, and 46.3% of all children are multi-dimensionally poor, says UNICEF) and child marriage (in 2014/15, about 47% of 18-year-old young women were already married). Food production lags behind the needs of a rapidly growing population. According to FAO, Mozambique is the only lusophone country receiving food aid. Both the lack of availability of food, as well as poor diet and micronutrient deficiency in some regions, are major barriers to development.

Access to rural water supply is very low at only 36%, even more so the access to proper rural sanitation (13%).² Of the country's 26 million people, 70% live in rural settings and life expectancy is just 53 years but population growth (2.45% annually) and fertility (5.15 children/women), higher than regional peers, threaten to undermine future development efforts. Communicable diseases dominate the disease profile³ while recent results reveal that HIV prevalence has risen overall (11.5% in 2009 to 13% in 2015)⁴. The health status of women and girls is particularly poor, with low access to contraception and persistently high maternal mortality (489 deaths per 100 000 live births) being facets of this. Inequality in Mozambique has been growing steadily since about 2002 but accelerated in recent years, as the Gini coefficient inequality measure rose to 0.47 in 2014/15, up from 0.42 in 2008/9.

Since late 2017, the World Bank considers Mozambique – registering the sharpest economic fall amongst non-war torn countries in Africa – for the first time to be a "fragile country".⁵ Absolute numbers in poverty are increasing: With population growth over the past 20 years, the number of people in absolute poverty according to the World Bank methodology has risen from 14 million to 19 million (66% of population)⁶. This number is set to rise. Within a decade, it predicts to peak at 23 million before gradually falling to 19 million by 2040.⁷ Subsequently, the World Bank estimates that until 2030, Mozambique will be one of four African countries in which 50% of the global poor will be living.

¹ 46.1% poverty was achieved by using a methodology which is much below the 1.90 USD line used by the World Bank.

² According to the National Institute of Statistics (INE – IOF 2014/15).

³ For example malaria is responsible for 35% of child mortality and 29% of wider population mortality.

⁴ IMASIDA survey 2015

⁵ Annual "Country Policy and Institutional Assessment (CPIA) Africa": <https://openknowledge.worldbank.org/handle/10986/28283>

⁶ Using the more conservative government poverty line, with population growth over the past 18 years, the number of people living in poverty has risen from 11 million to around 12 million.

⁷ ISS Report: Prospects and Challenges: Mozambique's Growth and Human Development Outlook to 2040.

2. Strategic objectives of the cooperation

Following the objectives of the Austrian Development Cooperation Act as well as Austria's Three Year Programme and building on Austria's international commitments, in particular to the SDGs, Austria is supporting least developed countries in fighting poverty, safeguarding peace and human security as well as preserving the environment and natural resources.

The overall aim of Austria's engagement is to support Mozambique's efforts to implement the Agenda 2030 for Sustainable Development and to achieve its national targets of the SDGs including the commitment to 'Leave no one behind'. In line with the Agenda 2030, linkages and synergies between SDG 2, SDG 6 and other related SDGs, in particular SDG 1 and SDG 7, shall be sought and strengthened.

By implementing projects and programs, particular attention shall be given to the pro-poor approach in order to leave no one behind. To reduce social and regional disparities, ADC aims to improve the livelihood situation of the rural population having very limited livelihood opportunities in Mozambique, and particularly in Sofala province through enhancing agricultural production and productivity and thus contributing to income-generation of smallholder farmers (family farms) to sustain their livelihoods. Particular attention shall be paid to the needs of women within the intervention areas and focussing on women as beneficiaries, as well as the support to the younger population in order to offer perspectives and job opportunities and reduce the reasons for economic migration.

From a nexus perspective, this involves improved access to water and sanitation in rural areas as well as to affordable and clean energy.

In the two focus sectors agriculture as well as water and sanitation ADC aims for sustainable and inclusive economic growth, benefitting and sustainably strengthening the resilience of poor and disadvantaged households and communities, e.g. families with people with disabilities in addition to marginalised areas in order to enable them to cope with climate change impacts and other crises.

Austria's relationship with the Government of Mozambique is managed through Agreements and MoUs with auditing, monitoring and reporting requirements, the national or provincial Government is Austria's principal implementation partner. A mix of modalities is employed to reach the strategic objectives of the ADC in line with the Aid Effectiveness principles.

ADC's interventions are in line with the priorities of the national development strategy of Mozambique (Five Year Plan), the sector strategies in agriculture (PEDSA/PNISA) as well as in water and sanitation (PA, PESA-ASR). Of equal importance is the alignment with the development plans and strategies on provincial level (PES). ADC also conforms to the national and provincial procedures and systems in Mozambique (i.e. inscription of funds into the State budget, use of e-SISTAFE⁸, joint monitoring etc.). The ADC approach is to strengthen the country system in both thematic focus areas on the national level, while at the same time implementing projects and programs in both thematic focus areas on the provincial level. This ensures that all activities on subnational level are aligned to the national development endeavours. The experiences, lessons learned and best practices made at provincial and/or local level are consequently fed back to the policy dialogue with the different Ministries and Development Partners on national level aiming to impact on the next planning cycle.

Modalities include cooperation with other donors in pooled funds or bilaterally with provincial Governments or specific Ministries. Funding of partnerships with non-governmental or international organisations including the UN organisations is complementary in order to introduce innovative approaches and supplement government efforts. All programs and projects are aligned with national, provincial and/or local development objectives.

Given that general budget support is currently suspended, among others ADC provides support to the common funds for rural water and sanitation and to the National Agriculture Investment Plan. An eventual resumption of any kind of budget support shall be diligently reviewed and considered, concrete terms and conditions to be defined, depending among others on appropriate anti-corruption measures to be taken by GoM assuring as well clear criteria for monitoring and reporting.

⁸ State Electronic System of Financial Administration

3. Thematic focus

In order to address the complex challenges of food insecurity and limited water resources, scarce natural resources and lack of assets of the rural population, ADC will address agricultural development and access to water in the rural areas in a comprehensive and systemic manner.

While seeking to improve rural livelihoods and following the approach of the Agenda 2030 to “Leave no one behind” (in line with SDG 10), the primary target groups for interventions will be women, besides the poorest and most vulnerable segments of society, such as families with people with disabilities or households and communities living in marginalised areas.

The promotion of sustainable management of natural resources and protection of biodiversity, the promotion of sustainable energy sources, as well as adaptation to climate change at community and family farm level, thus strengthening resilience against future crises and natural disasters (like droughts and floods) will also be mainstreamed in all activities.

By doing so, ADC’s activities shall complement and support the corresponding activities of the government entities of Mozambique, and such activities shall be executed in cooperation with partners best placed to do so, assuring the highest level of efficiency and effectiveness.

ADC will accordingly focus on the following priority sectors:

3.1. Thematic focus 1 – Sustainable Agriculture and Food Security

Inclusive and sustainable management of agricultural areas is one of the most critical challenges facing Mozambique. In addition, the country is prone to natural disasters and ranks third among African countries most affected by weather related hazards. Recent floods and droughts have severely hit the population, not sufficiently resilient to climate change phenomena. Therefore, food security poses a major concern.

Given this situation in agriculture in Mozambique and aligned to the National Agricultural Development Strategy/PEDSA and the National Agricultural Investment Plan/PNISA and guided past experience, by means of contributions to the national systems, ADC will focus on enhanced agricultural production for improved food security, better access to markets for income-generation, nutritional education as well as the promotion of public service delivery in the agriculture sector in order to contribute to improved agricultural production and productivity in Mozambique and particularly in the Sofala province.

ADC’s programmes and projects will especially contribute to SDG 1 (reduction of rural poverty) and SDG 2 (food and nutrition security and sustainable agriculture), but also to SDG 5 (gender equality and EU-GAP II objective 12), SDG 13 (climate change) and SDG 15 (life on land). Wherever possible, linkages and synergies to SDG 6 (clean water and sanitation) and SDG 7 (affordable and clean energy) shall be sought and strengthened.

Focus is given to strengthening the capacities, like the agricultural extension services in order to provide better quality services to agricultural producers in rural areas in particular in Sofala province. Furthermore, strengthening the capacities of smallholder farmers in sustainable agriculture (e.g. conservation agriculture), diversification of food crops and income as well as adaptation to climate change, reduction of post-harvest losses and, in general, increasing the production and productivity in agriculture and the sustainable use of natural resources in all provinces and districts is of utmost importance.

3.2. Thematic focus 2 – Water Supply and Sanitation

Access to water supply and sanitation in rural areas is still characterized by very low levels of coverage, weak institutional capacities especially on district level, poor sustainability of services and insufficient levels of funding. The (former) MDG targets set for 2015, to achieve 70% coverage in water supply and 50% in sanitation, were not met.

Therefore, the new National Water Supply and Sanitation Program for the years 2019 – 2030 (PRONASAR II), elaborated with the support of development partners including ADC, will now be implemented in all provinces and districts of the country. ADC will support the implementation of PRONASAR II in particular to ensure access to the sustainable use of safe water and improved sanitation for people living in rural areas.

Given the limited capacities at district level, the District Infrastructures and Planning Services (SDPI) will be supported in order to provide for better quality services and to increase the universal access to sustainable water, sanitation and hygiene services in an equitable manner in rural areas in all provinces of Mozambique, and particularly in Sofala province. Furthermore, special attention will be on strengthening the role of local governments through capacity development and competitive and equitable allocation of financial resources;

improving planning and monitoring by boosting the technical information and service management system; improving cross-sectoral coordination and participatory planning; and expanding services and technological options according to the conditions of availability of water resources; eliminating open defecation, accelerating the provision and increasing the sustainability of sanitation services in all provinces and districts. All interventions will take adaptation to climate change into account.

ADC's programmes and projects in this sector focus area shall especially contribute to SDG 6 (Ensure access to water and sanitation for all through gender mainstreaming contribution to EU-GAP II objective 16), with special emphasis on the national sub-targets: 1) eliminate open defecation by 2025; 2) achieve universal access to basic services for drinking water, sanitation and hygiene for families, schools and health facilities by 2029; and 3) reduce by half the proportion of the population without household access to safe water and sanitation services by 2029. Wherever possible, linkages and synergies to SDG 2 (zero hunger), SDG 7 (affordable and clean energy) and SDG 15 (life on land) shall be sought and strengthened.

4. Geographic focus: Sofala Province

In 1992 Mozambique became a priority country of the ADC and the Province of Sofala was identified as Austria's geographic focus area of intervention. Sofala was then one of the poorest regions in the country. This geographic focus has been set according to the division of labor among EU-Member States in order to enhance effectiveness of EU and ADC interventions in Mozambique.

Agriculture remains the main source of livelihood for the large majority of the rural people. Approx. 97% of the land used for agriculture is cultivated by smallholder farmers who provide the entire supply of food crops to the population. However, chronic malnutrition among children from 0-5 years remains high in the Province with 25%.⁹ As a consequence of the recent political-military conflict, some districts of Sofala could hardly receive any support from governmental institutions, which increased the vulnerability of the affected population. Until 1996/97, also due to the civil war, 87.9% of the population in Sofala was living under the poverty line. These figures improved to 54% in 2008, and the survey 2014/15 shows 44.2%, which is slightly below the national average of 46.1%.¹⁰

Sofala has a huge economic potential due to the fact that Beira port and the Beira corridor are important entry and trans-shipment points for goods, and thus important generators of revenue. In terms of the contribution to national revenue collection, data from the Tax Authority of Mozambique covering the years from 2007 to 2014, show that Sofala is the third largest contributor with 8%, after Maputo City (74.4%) and Maputo province (16.1%).¹¹ This is largely due to revenues generated by the port of Beira contributing to the national budget.

ADC has over its many years of engagement built up important networks in the Province and has maintained an excellent reputation at the national as well as provincial level. This comparative advantage means that ADC is more effective and efficient than other donors in contributing to the reduction of poverty in Sofala by building on proven strengths. ADC also supports decentralization and the decentralized implementation of national strategies through policy dialogue at the national level. The underlying assumption is that bringing decision-making closer to citizens gives poor people a voice, facilitates communication between policy-makers and their constituencies, fosters accountability and ultimately improves the systematic and equitable provision of public goods and services. The rationale for increased decentralization is that public services oriented towards local priorities and local development plans will more directly be beneficial to the poor. Thus, ADC will focus on improving decentralized public services in the Province of Sofala.

The needs in Sofala in the areas of water and agriculture remain high. Given the continued engagement of Austria in these two sectors during the period of this strategy, Sofala will also remain Austria's primary geographical focus area. ADC's focus on supporting small-scale agriculture, accompanied by better access to safe drinking water in rural areas, is an appropriate approach under the objective of improving rural livelihoods. In addition, boosting agricultural production is an essential aspect of putting Mozambique on a path of inclusive growth and development.

⁹ SETSAN 2015 (Secretariado Técnico de Segurança Alimentar e Nutricional/ Technical Secretariat for Food and Nutrition Security): <http://www.setsan.gov.mz/publicacoes/relatorios-de-avaliacao-de-san/>

¹⁰ All surveys are IOF (Inquérito ao Orçamento Familiar/ Household Budget Survey): <http://www.ine.gov.mz/operacoes-estatisticas/inqueritos/inquerito-sobre-orcamento-familiar>

¹¹ B. Weimer & Carrilho, 2017, p. 31.

5. Cross-cutting issues, principles and approach of cooperation

Gender equality as well as environmental protection and climate change shall be the overarching and key cross-cutting focus areas.

The Gender Inequality Index value of Mozambique is 0.552, ranking it 138 out of 160 countries in 2015¹². ADC will ensure that all its programs and projects contribute to gender equality and women's and girl's empowerment. On an operational level, analyses should be conducted to identify how to address gender inequalities within the two thematic focus areas. Gender-responsive performance and results indicators are used for this strategy.

Climate change significantly affects human development in the country. Droughts and floods threaten livelihoods of people and cause impacts to the natural resources and the functioning of a sustainable ecosystem. The impact is increasingly harsher to the ecosystem and for the most impoverished and vulnerable. There is a close association between poverty and climate vulnerability. ADC addresses these challenges with a mainstreaming approach to ensure environment, climate and disaster risk reduction measures are included throughout its activities. A climate adaptation lens is applied in the promotion of conservation agriculture. With a view to boosting resilience, local adaptation measures shall be reflected in the sectors.

Throughout the implementation of this strategy, the following general principles and approaches will be respected:

- human rights-based approach, with its elements of non-discrimination, participation, empowerment and accountability of the state;
- Good Governance and Rule of Law, by strengthening public service providers at the national, provincial and district level to improve quality services;
- Democracy, peace and security;
- The principle of “Do-no-harm” will be applied in all phases of project or program implementation.

6. Policy coherence, instruments and financial envelope

Policy coherence and Whole-of-Government approach shall guide all interventions implemented under this Country Strategy.

In order to ensure policy coherence for development in Mozambique as one of Austria's priority countries in development cooperation, the objectives of this Country Strategy should be enforced by the various **funding instruments of the Austrian Development Agency (ADA)** as well as **other Austrian stakeholders and actors** through their instruments and activities in Mozambique. Those are Ministries, Universities, Agencies, Development and Investment Banks and of course also non state actors

In addition to the regular comprehensive coordination with EU, contact with other Development and International Finance Institutions shall also be strengthened, such as with the World Bank Group, the African Development Bank (in particular the African Water Facility for water related issues) and regional African development banks (DBSA, IDC, PTA etc.) are regularly maintained.

Some key areas of engagement showing the complementary use of instruments provided by different Austrian stakeholders are:

Business and Development

Following the recent trend of less aid but more investment locally, thus acting in a more sustainable way, the private sector is a key partner in development. Establishing new enterprises, creating jobs, providing goods and services and building up local value chains, generating income and profits, import substitution, and contributing to public revenues and savings on FX respectively, are critical to increase the country's self-reliance and sustainable growth. These measures create long-term perspectives for the partner country.

ADC's goal is to support sustainable, inclusive, hence poverty-reducing growth by strengthening the private sector and facilitating access to markets – of goods, services, jobs and information – for all, especially for the poor and marginalised groups of the population. Furthermore, ADC strives for the cooperation with relevant

¹² UNDP Human Development Report, 2018.

private sector actors in order to achieve the specific goals set in this Country Strategy. Austria supports also the EU initiative for economic development through job and growth compacts.

In view of the worsening conclusions of the World Bank Doing Business Report ranking Mozambique 138 out of 190 countries, the creation of a business enabling environment in order to strengthen the private sector, contribute to a larger economic diversification and create qualified, direct jobs shall be key, given the current costly business environment.

In order to allow business activities locally, particular attention will be paid to the financial sector of Mozambique, e.g. by coordinating with the Development Bank of Austria and other financial institutions in terms of lines of credit to local commercial banks or micro finance institutions.

Through the ADA Business Partnership Programme, financial support is given to European companies investing – together with local partners – in activities, which are economically viable and which have at the same time a wider developmental effect for Mozambique (knock-on employment effects, training programmes, environmental improvements, wider social benefits etc.).

In close cooperation with the Austrian Chamber of Commerce in Johannesburg based on an official cooperation agreement, active support for business cooperation between Austria and Mozambique shall be provided (economic diplomacy). Economically, Mozambique has one of the highest potentials in Africa: With Austrian proven records in innovative businesses, like renewable energy or others, there are considerable opportunities for future Austrian direct investment, business partnerships and alike. The exchange of various trade commissions and economic forums between Austria and Mozambique in the past years have been very promising and should be continued in the future, assuring long-term economic cooperation in addition to traditional aid measures.

Cooperation with civil society organisations (CSOs)

Cooperation with CSOs has a long-standing tradition within ADC's engagement in Mozambique and a record of many achievements and experiences. Using a mix of modalities in its implementation, ADA supports projects implemented by Austrian CSOs in cooperation with local partner organisations as well as by CSOs in Mozambique. Projects and programmes are based on the CSO's own initiative and are directed at meeting the specific needs of the vulnerable groups of society. CSO projects should be complementary to the focal areas outlined within this strategy and concentrate on topics like sustainable management of natural resources, rural development, food security, vocational training, social/welfare services, gender equality and promotion of peace and human rights. Another focus is placed on synergetic effects, knowledge management and know-how transfer, capacity development and advocacy.

Education, Science and Research

An opportunity for academic institutions to cooperate with Austrian institutions is the ADC-funded Austrian Partnership Programme in Higher Education and Research for Development (APPEAR). The programme strengthens institutional capacities in higher education, research and management through partnerships with Austrian academic institutions and Master's/PhD grants as a contribution to sustainable reduction of poverty.

Mozambican nationals also have the possibility to apply for scholarships at Austrian training institutions:

- 1) Trainings at the Diplomatic Academy of Vienna
- 2) The Institute of Tourism and Hotel Management in Klessheim.

7. Implementation, monitoring and evaluation

The Agreement of 1986 constitutes the basis for the bilateral technical cooperation with the Government of Mozambique. Whereas the Austrian Federal Ministry for Europe, Integration and Foreign Affairs (MFA) has the lead in defining and following up the Country Strategy, the Austrian Development Agency takes the overall responsibility for its implementation, the documentation of lessons learned, and concrete programme results for quality management and further strategy development. ADC's Coordination Office in Maputo is responsible for planning, operationalizing, monitoring and managing of data, especially the follow up of baselines and benchmarks within the result matrix (Annex 1).

Taking account of the principles of ownership and partner orientation, ADC primarily focuses on the monitoring / result framework agreed by the partner country. The results matrix Annex 1 matches the strategies, plans and programs of the partner country. Effective monitoring of development processes and results requires collaboration on the quality of data available and the identification of baseline and reference values.

A dialogue on policy level involving all relevant stakeholders will be pursued.

ADC monitors projects and programmes with governmental institutions in close collaboration with its partners and the Government of Mozambique according to the established and agreed-upon monitoring procedures and mechanisms. Development partners jointly assess the progress made.

Subsequently, ADC actively participates in the relevant (sector) working groups. Development results of the Sofala Province, as well as of interventions implemented by non-governmental organizations and International Organizations, will be monitored in the area of interventions on the basis of a number of jointly agreed specific outcomes. Especially on provincial level, ADC will work on improving the highly-needed coordination between all development partners and stakeholders.

The bilateral review mechanism includes an end-term review/evaluation.

Review of Austrian engagement:

According to Austria's Three-Year Programme 2019-2021, Austria will undertake an overall review of its engagement with Mozambique in order to decide by the end of 2021 about its possible future engagement.

In case of a continuation of Austria's engagement, ADC activities will follow this strategy until 2024. Should Austria decide to phase out its development cooperation in Mozambique, an applicable exit scenario will be defined until the end of this strategy in 2024.

Annex 1: Result matrix*

Objectives	Indicators	Baselines	Targets (at end of 2019/2020)*	SDG reference	Partner country policy reference	Assumptions
<p>Overall goal:</p> <p>Contribution to improving the living conditions of the Mozambican people by increasing employment, productivity and competitiveness, creating wealth and generating a balanced and inclusive development in an environment of peace, security, harmony, solidarity, justice and cohesion among Mozambicans</p>	<p>Percentage of Mozambicans living below the poverty line</p> <p>Gini HDI</p>	<p>Poverty rates: 46.1% national 44.2% Sofala (Census 2014/15)</p> <p>Gini: 0.47 (2014/15) HDI: 0.418 (2015; place 181 out of 188)</p>	<p>Improvements (targets are not specified in official documents)</p>	<p>SDGs 1, 2, 6</p>	<p>PQG 2015-2019</p> <p>PQG 2020-2024 (still to be elaborated)</p>	<p>Reconciliation process continues contributing to effective peace and a positive socio-economic environment of the country.</p> <p>Continuous and credible Government efforts to improve the livelihood of all Mozambicans.</p>

* Matrix has to be reviewed in 2020 after finalization of the new PQG 2020-2024.

** This includes the ADC support in Sofala.

Thematic focus 1 – Sustainable Agriculture and Food Security

<p>Outcome 1.1</p> <p>Contribution to an increased coverage of extension services through hiring and training of extensionists in Mozambique</p>	<p>1.1.1. % of rural households with access to extension services in Mozambique</p> <p>1.1.2. N° of extensionists under contract and equipped</p>	<p>1.1.1. Extension Service coverage reaches 678,297 assisted producers nation-wide (2018)</p> <p>1.1.2. Public extension services cover all the country's 153 districts and 28 cities, employing a total of 1,863 extension agents and technicians (2018)</p>	<p>1.1.1. 140,000 rural households and 300 “young incubators”¹³ directly benefit from ADC contribution to the extension services**</p> <p>1.1.2. New extensionists (239 in 2018, 201 in 2019) recruited by the GoM will benefit from “initial training” and receive necessary equipment (agricultural tool kits and motorbikes)</p>	<p>SDG 2</p>	<p>PNISA 2013-2017 (extension until 2019)</p> <p>PEDSA 2011-2020</p>	<p>Government continues to give priority to agriculture sector by allowing additional hiring of extensionists in Mozambique.</p>
<p>Outcome 1.2</p> <p>Households in food insecure areas of Sofala are able to maintain access to adequate and nutritious food throughout the year</p>	<p>1.2.1. % of children under 5 years of age in chronic malnutrition in Sofala</p> <p>1.2.2. % of households in chronic food insecurity¹⁴ in Sofala</p>	<p>1.2.1. Sofala: 44.1% (2013)</p> <p>1.2.2. Sofala: 24% (2015)</p>	<p>1.2.1. Sofala: 35%</p> <p>1.2.2. Sofala: 16% (2020)</p>	<p>SDG 2.1</p>	<p>GoM - Food Security and Nutrition Strategy (ESAN)</p> <p>WFP Country Strategic Plan 2017-2021</p> <p>Annual planning of the Government of Sofala for Agriculture and Food Security</p> <p>GoM: The Food and Nutrition Security Action Plan (PASAN) 2008-2015</p>	<p>No negative effects of climate change (El Niño – droughts and floods).</p>

¹³ Incubating young people in the agricultural sector is one of the strategic actions that aim to respond to the PEDSA I pillar on increasing productivity and agrarian competitiveness. It is intended to incubate 300 young people in the area of beekeeping, fruit growing and horticulture.

¹⁴ Chronic Food Insecurity – is defined as limited access to and use of diversified and nutritious food.

					GoM: The Multisectorial Action Plan for the Reduction of Chronic Malnutrition (PAMRDC) 2011 – 2015 (2020)	
Thematic focus 2 – Water Supply and sanitation						
Outcome 2.1 ¹⁵ Contribution to ensure the availability and sustainable management of water and sanitation for all	2.1.1. % of the population that practices open fecalism 2.1.2. % of the population that uses basic potable water services	2.1.1. 13.2 % (2015) of the rural population have access to safe sanitation 2.1.2. Only 23.9% (2015) have access to water from dispersed sources	2.1.1. until 2019: increase of 8,8% 2020 - 2024: increase of 4,8% 2.1.2. 2019: increase of 4.2% 2020 – 2021: increase of 3%	SDG 6.1 SDG 6.2	GoM: Declaration of Water Sector SDGs 2015 -2030 GoM - The National Rural Water Supply and Sanitation Programme (PRONA-SAR) UNICEF Country Program document - Mozambique 2017 -2020	Government of Mozambique increases the state budget for WASH investments. The envisaged Joint Fund PRONA-SAR attracts sufficient support by development partners.
Outcome 2.2 Contribution to provide water supply and sanitation services in the Province of Sofala	2.2.1 % of Sofala population living in rural areas, with safe water source 2.2.2 % of Sofala population living in rural areas, which uses adequate sanitation services	2.2.1. Sofala: 51% coverage rate (2018) 2.2.2 Sofala: 27.9 % coverage rate (2018)	2.2.1. 2019: 53% 2020: 55% 2.2.2 2019: 40 % 2020: 56 %	SDG 6	Annual planning of the Government of Sofala for the Rural Water and Sanitation sector	Government of Sofala increases the budget for WASH investments.

¹⁵ All data are provided by the GoM: Declaration of Water Sector SDGs 2015 -2030

Annex 2:

Financial envelope

ADA will tentatively earmark 4 Mio EUR annually for the implementation of this Country Strategy through its regional/country budget. This is notwithstanding any possible other decision on budget allocation taken by the Federal Government.

This indicative amount will be complemented by funding through other ADA modalities which are based on initiatives and therefore not predictable (for example: Business partnerships, NGO co-funding, education programmes).

Other Austrian actors like other Ministries, Universities, Agencies, Development and Investment Banks and of course non-state actors will be called to contribute to the implementation of this Country Strategy through their funding instruments.

Indicative budget allocation Mozambique*:

Budget allocation per thematic focus	2019	2020	2021	Total	%
Sustainable agriculture and Food Security	2.320.000	2.150.000	2.175.000	6.645.000	55,38
Water Supply and sanitation	1.320.000	1.650.000	1.175.000	4.145.000	34,54
Other	360.000	200.000	650.000	1.210.000	10,08
Total	4.000.000	4.000.000	4.000.000	12.000.000	100,00

*Final allocation of funds will depend on the identification of suitable interventions, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners. Accordingly, the information on indicative budget allocation cannot be considered a firm commitment or claimed as such by the partner country. The indication serves as a basis for the Annual Work Programme of ADA, reviewed and confirmed by Austria's Federal Ministry for Europe, Integration and Foreign Affairs (BMEIA) each year.