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## Part I. Current Conditions and Problems

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### Chapter 1. General Remarks

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#### 1. Mozambique – A Potted Modern History of Africa

Mozambique is a nation which arguably provides a miniature view of the modern history of Africa: it gained independence through armed struggle, endured the ensuing protracted civil war. Consequently, it suffered setbacks in the construction of the nation along a socialist path, and then introduced market principles in the latter half of the 1980s, abandoned Marxist-Leninist philosophy in 1989. After the conclusion of the cold war, it introduced the multi-party system immediately and brought an end to civil war after that, then conducted democratic elections in 1994. Naturally, it also shares other problems with other African nations, one of which is that it is one of the Highly Indebted Poor Countries ( HIPC ).

One could go so far as to say that the building of the nation of Mozambique, and the support for this shown by the international community and donor nations has set the standard for building modern African nations and for the assistance to this process provided by the international community and donor countries.

#### 2. Characteristics of Mozambique as a Recipient Country of Japanese Aid

When viewed as a recipient country of Japanese aid, however, Mozambique naturally has its own unique features. The first of these major features is that there is a relatively stable order being maintained given that it is a nation which has emerged from civil war. This is in stark contrast to Angola, a nation which, like Mozambique, is situated in the southern part of Africa, was formerly a Portuguese colony, erupted in civil war following independence, and even reached a peace agreement and held multi-party elections only to once again plunge into a civil war which continues to this day. While the scars of the vicious and destructive activities of the anti-govern-

ment forces( Renamo )during the civil war remain, and there are still massive numbers of mines to be cleared, Mozambique maintains a relatively stable order for a country formerly at civil war. Support for the creation and maintenance of democratic order in a country following civil war is one of the most important issues in the post-cold war “new era of regional conflict”, and the case of Mozambique could provide clues on how to support the peace building and maintenance of peace, and the prevention of conflict in other African nations which are in the midst of civil war involving tribal disputes or power struggles, or in which such conflict could occur.

Another feature of Mozambique is its position as a corridor nation. In the African continent with many landlocked nations, the development of coastal countries as corridors is vital not only for the development of the coastal countries themselves, but for the growth of neighboring countries and the region as a whole. In Mozambique, the Maputo corridor, the Beira corridor and the Nacala corridor perform this kind of function. Conversely, however, if the economies of the inland nations which use these corridors do not develop to a certain degree, the operating efficiency of these corridors will stall at a low level. The corridor nation of Mozambique is a classic example of the development of one nation being meaningless unless it happens in tandem with the development of the sub-region in which that nation lies. Aid strategies of the international community and donor nations in respect of developing countries do have an aspect which necessitates their being formed with a view beyond the single nation in question to encompass the sub-region, and in the case of the southern African area, this applies nowhere more than Mozambique.

## Chapter 2. Politics and Administration

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### 1. The Present Situation of Democratization

#### 1-1 Election-related issues

Mozambique can be considered one of the most successful African nations in the 1990s in terms of democratization. Even the 1994 elections, implemented during the process of stabilizing the country after the civil war during the 1980s, resulted in no major upheaval under the watchful eye of the international community and through disarmament efforts<sup>1</sup>.

Nevertheless, municipal elections held on June 30, 1998, can be seen to have presented a significant problem from the point of decentralization as part of administrative reform, and from the perspective of democratization. One reason for this is that the elections were boycotted by the main opposition party, Renamo<sup>2</sup>, and another the political indifference of voters illustrated by the fact that over 80% of eligible voters failed to cast their vote. This differs vastly with the 12% or so of voters who declined to vote in the 1994 presidential and parliamentary elections. According to investigation and analysis by Irae B. Lundin<sup>3</sup>, this result was not simply brought about by poor preparation, but was significantly influenced by the lack of accountability in the candidate selection process, and by the fact that voters were unable to perceive a connection between supporting democracy and actual improvements in their lives. He also points out that this issue needs to be addressed as part of the democratization process.

Public consultation also began at the end of last year regarding the proposal for a new Mozambican constitution<sup>4</sup> focusing on relieving the concentration of authority in the president and strengthening the authority of parlia-

ment<sup>5</sup>. The matter, however, is still discussed at the parliament and has not ultimately been adopted. The new constitution was originally slated to come into effect following the general elections this year, but it must be recognized that keeping this schedule of implementation will be problematic. While there are estimates that it will be after the next election in five years that the new constitution takes effect, there is no denying that the form in which the constitution is adopted may affect the political flow. Although the political situation is generally stable, this process needs to be closely observed for the time being.

#### 1-2 The path to the 1999 general elections and the results

The general election scheduled for December 3 and 4, 1999 in Mozambique was delayed one day due to the weather, but essentially went ahead as planned. Election observers were generally satisfied that the voting was conducted freely and that a fair election had been held<sup>6</sup>. Given that this election had been seen as being of considerable significance in "consolidating" a democratic system in Mozambique, the path followed to its implementation, the results, and issues need to be elaborated.

While the southern region of Mozambique is the base for the ruling Frelimo party, the central and northern regions are the stronghold of the opposing Renamo party, signifying regional schisms within the nation. Efforts were made by the two parties ahead of this year's elections, and while there was some conflict at first regarding legislating for the election, measures such as establishing an ad hoc deliberative committee in parliament, and ges-

<sup>1</sup> In the process of transforming itself from an armed force to a political party, Renamo received substantial financial assistance ( approx. \$17 million ) from donors, primarily Italy. While this assistance was useful in alleviating some of Renamo's dissatisfaction, it was not necessarily used to strengthen the political party organization.

<sup>2</sup> Some view the boycott of municipal elections by Renamo as being due to the lack of financial support from donors at the time of these elections. Refer to Footnote ( 1 ) . Wood, G., p. 161.

<sup>3</sup> Lundin, I. B., ( 1998 ) , pp. 62-73.

<sup>4</sup> Consideration was given to switching from the American system to the European system which incorporates a parliamentary cabinet system. Government is defined as consisting of the Prime Minister, who is appointed through consultation between the President and all parties in the parliament, and the Council of Ministers, consisting of Ministers appointed by the Prime Minister. *Mozambique Peace Process Bulletin*, Issue 22 ( April 1999 ) , p. 7.

<sup>5</sup> Ad hoc commission of parliament with all concerned parties approved the content of the proposal.

<sup>6</sup> For example, a provisional report concluded that there were no serious problems that would force the EU joint observation team monitoring the election to declare the election void. ( [http://www.africanews.org/south/mozambique/stories/19991212/19991212\\_feat2.html](http://www.africanews.org/south/mozambique/stories/19991212/19991212_feat2.html) )

tures by the ruling Frelimo party in agreeing to new voter registration showed a cooperative relationship between the two parties, particularly in the registration of voters.

Voter registration was then conducted over a two month period from mid-July to mid-September under the management of the Secretaria Técnica de Administração de Eleições (STAE), which is the technical unit of Comissão Nacional de Eleições (CNE). This process proceeded smoothly on the whole<sup>7</sup>, ending without incident on September 17<sup>8</sup>. The number of voters registered in this new process exceeded the 6.4 million at the time of the 1994 general elections, achieving a rate of more than 83% of the target 8.3 million people to stand at 6.9 million registrations<sup>9</sup>. This led to a relatively optimistic outlook at the CNE.

The election campaign commenced from the latter part of October. Donors made moves to provide financial assistance for the campaigns, with the United States, Switzerland, Sweden and the Dutch governments reaching agreements for funds supply with the Mozambican government<sup>10</sup>. These funds were managed as an addition to the subsidy equating to \$480,000 which the Mozambican government originally planned to allocate to political parties as their election campaign budget.

There were also moves at the time of the general election to create an opposition coalition centered on Renamo ahead of the election. In relation to this point, there are smaller political parties in Mozambique which formed an alliance (the Democratic Union) and took nine seats in the 1994 election<sup>11</sup>. These smaller parties include: Palmo, a liberal democratic party which split from Frelimo and takes an anti-Portugal pro-African stance; Panade, a national democratic party which propounds the realization of liberal values; PIM<sup>12</sup>, the Mozambique Islamic Party made up of Islamic representatives; and Monamo, the Mozambican national movement which also parted

ways with Frelimo and re-commenced activities lately as the APD, a democratic people's alliance. These smaller political parties, however, have virtually no policies other than calling for the realization of reconciliation, humanitarianism, peace or a multi-party political system, and are seen to have essentially been formed for the purpose of obtaining their "split" of subsidies (donor funds) that went to parties (particularly Renamo) in the 1994 election. Perhaps partly in consideration of this history, funds allocation for the 1999 election campaign started with the distribution of just 50% of the planned allocation to each party, which were required to submit a materials report in order to ensure accountability of the usage of the funds. Once submitted, the parties received another 25% of their funding, and only received the remaining 25% after once again submitting a report<sup>13</sup>.

Consideration also needs to be given to the largest opposition party, Renamo. Not only are there divisions within Renamo itself, but the opinion is that there are problems with the caliber of the party head, Alfonso Dhlakama, as a politician and as a leader<sup>14</sup>. Moreover, there are still thought to be elements within the party which have not been completely disarmed, and although Renamo superficially acted as "a political party" for the purpose of the 1994 election, some would point out that it has not completely become "a political party"<sup>15</sup>. As regards economic policy especially, there is little prospect of an opposition party emerging in the near future with an alternative policy given that "outside" organizations, namely the IMF and World Bank, provide the economic framework. Economic policy is an element of the democratization process of Mozambique, however, and it should be realized that it will take some time for the development of a healthy opposition party.

It was against this background that Mozambique went to the polls. Computer problems in the vote-counting pro-

<sup>7</sup> The implementation of voter registration over a period reduced from the conventional 2.5 months to 2 months could be considered an indication of moving to hold the election during that year, but others surmise that because this period falls in the rainy season and there was heavy rain and widespread flooding during the last season, there is a possibility that this would hamper the implementation of the election. In view of such matters as these climatic conditions and CNE actions in election preparations, it would be difficult to hold an election in that year. Realistically, election campaigning would commence in late March or early April, with a chance that balloting would be conducted in mid-May. *Mozambique Peace Process Bulletin*, Issue 22 (April 1999), p. 3.

<sup>8</sup> Mozambique News Agency, *AIM Report*, No. 165, 20 September 1999.

<sup>9</sup> *ibid.*

<sup>10</sup> Recent reports state that funds to be supplied by the governments of Switzerland, Sweden and the Netherlands amount to US \$917,000. ([http://www.africanews.org/south/mozambique/stories/19991105\\_feat1.html](http://www.africanews.org/south/mozambique/stories/19991105_feat1.html))

<sup>11</sup> Wood, G. (1999), pp. 158-159.

<sup>12</sup> Islamic groups are thought to be receiving financial support from Sudan. *ibid.*, p. 158.

<sup>13</sup> [http://www.africanews.org/south/mozambique/stories/19991109\\_feat1.html](http://www.africanews.org/south/mozambique/stories/19991109_feat1.html)

<sup>14</sup> Wood, G. (1999), p. 162.

<sup>15</sup> *ibid.*, p. 161.

cess and other factors caused a major delay in the announcement of results, but on December 22 CNE declared the incumbent President Chissano (Frelimo) victor in the presidential election with 52.29% of the vote, defeating Renamo's Dhlakama with 47.71%<sup>16</sup>. President Chissano took office on January 15, 2000<sup>17</sup>. In the parliamentary elections, the ruling Frelimo party gained 48.54% of the vote to secure 133 seats, four more than on the previous occasion, while Renamo lost four seats to take 117 seats with 38.81% of the ballot, marking a win for the Frelimo party in this arena also<sup>18</sup>. The 250 seats in parliament ended up being divided between these two parties as the smaller political parties failed to gain any seats at all. The voting rate was around 75% of the 7.1 million people who ultimately registered to vote<sup>19</sup>, and although less than the turnout in the 1994 general election, the figure can be considered acceptable.

This does not mean, however, that this election was completely free of problems. Specifically, at the moment when interim counting results pointed to certain victory for Frelimo, Renamo declared they would not accept any result other than a win for themselves. Believing the elections were unfair given that more time than scheduled was taken in the counting stage until the announcement of the final results, rather than in the voting stage, and that announcement of election results were postponed several times, Renamo asserted that Frelimo had "stolen" the election<sup>20</sup>. For this reason, Renamo absented itself from the announcement of the final results by Jamisse Taimo, chairman of CNE, and declared that it would use all legal means to clarify Frelimo's inequity at the counting stage of the election and the inefficacy of the election, including taking the matter to the Supreme Court<sup>21</sup>. Threatening declarations were also made to the effect that the country would become ungovernable should President Chissano put any pressure on the Supreme Court<sup>22</sup>. Accordingly, it is undeniable that aspects of the election results remain blurred.

Looking at the present political situation given the ultimate result of the election, Renamo's response to the election result was to protest through legal means in the first instance, and this indicates that the country is acting as a nation under the rule of law, supported by steady economic progress particularly in the south. Although causes for concern have not been completely dispelled, the likelihood that any situation could suddenly threaten political stability and plunge the country into civil war is not considered to be high.

### 1-3 Political parties and the relationship with other social organizations

Important points in recent years include Frelimo's activities to expand its support base in which various mass democratic organizations are brought back under the Frelimo banner. The youth organization OTM went into the Frelimo fold in October 1998, as did the women's organization OMM in 1996, making them subsidiary organizations under Frelimo once again<sup>23</sup>. Once conducting independent activities at one point, OMM came under the Frelimo umbrella because operations relying on funding from overseas donors were possible in the first half of the 1990s, the channels for that funding were cut and the organization found itself in financial difficulties<sup>24</sup>.

Independent social forces include the activities of the labor union OTM, the Catholic church, evangelical Protestants, non-government media (especially Mediafax), human rights groups, and lawyer associations. Despite being deigned as conventionally having little political clout, labor unions have been seen to be bolstering their political statements recently. They are particularly critical of the government's adoption of neo-liberal policies and the privatization of state-run enterprises<sup>25</sup>. As for the churches, in addition to the Catholic church playing a role as a "trustworthy mediator" in preparations for the implementation of multi-party elections in the 1990s, the Prot-

<sup>16</sup> [http://www.africanews.org/south/mozambique/stories/19991222/19991222\\_feat1.html](http://www.africanews.org/south/mozambique/stories/19991222/19991222_feat1.html)

<sup>17</sup> Mozambique News Agency, *AIM Report*, No. 175, 8<sup>th</sup> February 2000.

<sup>18</sup> *ibid.*

<sup>19</sup> [http://www.africanews.org/south/mozambique/stories/19991222/19991222\\_feat2.html](http://www.africanews.org/south/mozambique/stories/19991222/19991222_feat2.html)

<sup>20</sup> *Business Day*, December 23, 1999.

<sup>21</sup> The Supreme Court handed down a decision declaring the election to be effective. Mozambique News Agency, *AIM Report*, No. 175, 8<sup>th</sup> February 2000.

<sup>22</sup> [http://www.africanews.org/south/mozambique/stories/19991223/19991223\\_feat5.html](http://www.africanews.org/south/mozambique/stories/19991223/19991223_feat5.html)

Even after this, Renamo declared in the six provinces in which they were victorious that they would form an independent government. Mozambique News Agency, *AIM Report*, No. 175, 8<sup>th</sup> February 2000.

<sup>23</sup> In the five years leading up to this, they separated organizationally from Frelimo to conduct activities as an independent group.

<sup>24</sup> Sogge, D., (n.d.) pp. 52-53.

estant church is also seen as having played an important role in educating people about human rights and democratic processes<sup>26</sup>. The Mozambique Christian Council (CCM), which is the umbrella body for all protestant churches in the country, has implemented a “Guns into Hoes” program since October 1995, and achieved some success up to January 1997 as it continues its positive activities for disarmament<sup>27</sup>. The Council has also been critical of the effects of the Structural Adjustment Programme on society<sup>28</sup>. The Mozambique Debt Group (MDG), comprising NGOs, churches and cooperatives, has also strongly censured the government for a lack of accountability in the decision-making process for the Structural Adjustment Programmes<sup>29</sup>. And standing out from the numerous party-aligned media organizations, Mediafax is very highly regarded for the moderate and reliable information it faxes to its subscribers, and is seen as playing a significant role in education about democracy.

Apart from the aforementioned social groups, Mozambique also has an NGO sector involved primarily in development and rehabilitation<sup>30</sup>. The history of NGOs in Mozambique is only short, mainly because their existence was only legally recognized in 1989. In 1993 an organization called LINK was formed in Mozambique to coordinate the activities of NGOs, and in the 1996 Mozambique NGO directory, 166 NGOs, including existing labor unions were listed. Nonetheless, NGOs in Mozambique were formed under the assistance and guidance of donors from the very beginning, and relied heavily on donor funds to conduct activities<sup>31</sup>. There was also believed to be dissatisfaction among local NGOs in relation to operations being conducted under the guidance of foreign NGOs<sup>32</sup>. With the assistance of foreign coun-

tries, the scale of activities should expand to a degree as long as the political situation remains stable and economic recovery is sustained. It is also possible that new NGOs will be formed to respond to development needs in agriculture, particularly in regional areas, so training the personnel for these NGOs and procuring the necessary funds for their activities are the important issues that will have to be addressed.

#### 1-4 Corruption and crime

It has been pointed out that amid the deregulation which accompanies liberalization, corruption has escalated at an incredible pace<sup>33</sup>. Even in the media report that corruption within the Mozambican government is rampant, regularly pointing to drug dealing and other illegal acts by high-level government officials and executives (including members of parliament).

Supporting this speculation is the fact that Mozambique can be positioned as a base for illegal smuggling in Southern African Region. Apart from corruption by the immigration office on South Africa's KwaZulu Natal province border being revealed in 1997, it has been suggested that towns on the Mozambique side of borders with the South African province of Mpumalanga and with Swaziland<sup>34</sup> are functioning as bases for illegal activity. In the case of Mozambique, it is small firearms and drugs which are being smuggled. Neighboring Swaziland is an important market for small firearms, as is evidenced by incidents in this nation using such smuggled weapons, including armed robbery, car-jacking and in pro-democracy demonstrations (1996)<sup>35</sup>. Mozambique is also thought to form part of the smuggling routes for marijuana, cocaine, heroin and other drugs. For example, Hashish<sup>36</sup> cultivated in Morocco, Lebanon, Afghanistan

<sup>25</sup> Wood, G. (1999), p. 159. At the same time, however, internal division between groups with progressive ideas and the younger members is pointed out. Furthermore, smaller labor unions not belonging to OTM also appeared, leading to the unavoidable conclusion that the labor movement had only a weak internal foundation.

<sup>26</sup> *ibid.*, p. 160.

<sup>27</sup> Some 874 firearms, 74 knives and similar weapons and 20,000 rounds of ammunition and other related items were confiscated during this period. Vines, A., (1998) p. 45.

<sup>28</sup> Harrison, G., (1999) p. 174.

<sup>29</sup> *ibid.*, p. 174.

<sup>30</sup> Reasonably comprehensive research which ties this issue in with aid is: Sogge, D. (ed), (1997). Also refer to the following regarding LINK, which is in charge of coordinating the NGO sector in Mozambique: Bennett, J. (1995) pp. 66-68.

<sup>31</sup> It is estimated that 80-90% of funds for activities comes from overseas NGOs. Harrison, G. (1999) p. 173.

<sup>32</sup> Bennett, J. (1995) p. 85.

<sup>33</sup> Wood, G. (1999) p. 165.

<sup>34</sup> The names of the towns are Ressano Garcia and Namachaa, respectively, where lumber, gemstones and firearms are also illegally traded in addition to drugs. Wood., G. (1999) pp. 165-166.

<sup>35</sup> Oosthuysen, G. (1998) pp. 79-80.

<sup>36</sup> The name of the product made by drying the leaves on the tips of flax (hemp) branches and young buds.

and Pakistan is smuggled through Mozambique on its way to Europe and North America, with the suspected involvement of South African police and Mozambican government personnel<sup>37</sup>.

In response to these issues, all customs work has been entrusted to the British Company, Crown Agent since 1997, and under this system, considerable improvements have been realized.

The relatively rigorous stance by the government against corruption in recent years is illustrated by such examples as the sentencing of a senior official in the Ministry for Agriculture to 22 years imprisonment for embezzlement<sup>38</sup>. While this is an important signal to investors and corporations of the government's efforts, at the same time it demonstrates to public servants that corruption is a crime punishable by incarceration. As this example is, however, the exception rather than the rule, it cannot be said that a politically-led ( whether by the ruling party or the opposition ) rigorous approach to corruption has been clearly demonstrated<sup>39</sup>.

## 2. Current Situation Regarding Administrative and Financial Reform

One of the pillars of reform in Mozambique is decentralization of power. Law 3/94 provides the legislation relating to the systemic framework for local government to form the basis on which decentralization is conducted, and into which is incorporated the regulations to support local government reform. This includes administrative and financial autonomy, pluralism and participation, justification, coordination with traditional authority and gradualism<sup>40</sup>.

As pointed out previously, after being postponed several times<sup>41</sup>, the June 30, 1998 municipal elections failed to produce a satisfactory result. Considering that this election was highly significant in the scope of future decentralization in Mozambique, the result can be seen as having presented major issues in promoting decentralization. Problems associated with this endeavor that have

been raised to this point include lack of human resources in regions and the low standard of administrative ability, but the matter of financing the development of autonomous centers in rural areas must also be considered as part of the medium- to long-term framework of future economic development in Mozambique.

Reform is also underway in areas such as the public service and capacity building<sup>42</sup>. Not only were public servant wages reduced from 1998, but a revised salary system was introduced as of April 1999. The aim of this is to secure talented personnel under a new performance-based wage system. Preparations for new public servant regulations, including performance assessment criteria, have been in progress since December 1999, and a Code of Administrative Procedure is due to be enacted in December 2000. A target of March 2000 was also set in relation to capacity building, with consideration given to a public servant training system and the formulation of an implementation plan also slated.

Formulation of a comprehensive plan which centers on regulating the role of the public sector and rebuilding public organizations for the development of public services is being conducted with an anticipated target of July 2000. This reform process is being conducted under the direction of a committee of the incumbent Council of Ministers. Also slated is the implementation of a plan to strengthen the accounts inspection function of government offices in order to heighten government accountability. In addition, a bill for government assets management is expected to go before parliament for debate in 2000, and in February 1999, "Twenty-five Principles to Counter Corruption in Africa"<sup>43</sup> was approved as a measure to combat the aforementioned corruption issues.

Naturally, many of these reforms are still in the preparatory stage, necessitating assessment in the future based on outcomes in the implementation process.

<sup>37</sup> Some 28,000 kg of hashish has been confiscated within Mozambique. Venter, C.D.J. ( 1998 )pp. 188-189. Smuggling routes for other types of drugs are also noted in this paper.

<sup>38</sup> EIU ( 1999 )p. 11.

<sup>39</sup> Wood, G. ( 1999 )p. 166.

<sup>40</sup> Friedrich Ebert Foundation ( 1998 )pp. 17-18.

<sup>41</sup> A major factor in this was the delay in domestic preparations for the implementation of the election, but it is also said that another cause was the delay in financial assistance from donors. Wood, G. ( 1999 )p. 160.

<sup>42</sup> The source of information relating to administrative reform is: IBRD ( 1999 ) .

<sup>43</sup> This was conducted with the support of the Global Coalition for Africa, with 11 African nations, including Mozambique, involved in the proposition and signing.

### 3. Relations with Neighboring Countries: Mozambique as a Part of Southern Africa

Especially from an economic perspective, there has been a trend in recent years for closer ties with South Africa. In light of the massive projects of the Maputo Corridor Development Project and the Cabora Bassa dam, which is a source of electric power for South Africa, Mozambique will continue to maintain friendly relations with South Africa in the future. From the South African standpoint as well, the economic and political stability of Mozambique is of major concern, considering that an influx of illegal refugees from Mozambique could directly reflect itself in domestic issues for South Africa. Apart from this, the proliferation of small arms (as mentioned earlier) is of concern to both nations, and a bilateral security treaty was signed during President Chissano's visit to South Africa in March 1995. Under this Treaty, South Africa's Firearms Investigation Unit and the Mozambican Police Force have conducted joint operations<sup>44</sup> to uncover arms trafficking in the southern part of Mozambique. Based on the regular information exchanges between the two nations, it is possible for the authorities of either country to question suspects held in the other country. Furthermore, a Memorandum of Understanding on Security was signed by the Ministers of Defense from both sides on February 4, 1996, paving the way for the South African National Defense Force (SANDF) to conduct activities within Mozambican territory in areas not easily accessible by the Mozambican police force or Mozambican army, and also enabling them to pursue armed groups which have escaped across the border from South Africa to Mozambique. This indicates the growing closeness with South Africa in a variety of aspects in economy, politics and military.

Mozambique's approach in highlighting its alignment with South Africa is also illustrated in the arena of politics and security with its support of Pretoria's clearly stated stance of non-intervention in the civil war that erupted in the Democratic Republic of Congo in August

1998. This pro-South Africa position, however, has created tension with Zimbabwe and Angola, which were actively involved in the civil war, and ultimately resulted in internal within the Southern Africa Development Community (SADC)<sup>45</sup>.

In another area, progress is being made in repairing relations with neighboring Malawi, which deteriorated during Mozambique's civil war.

As far as relations with nations outside the region are concerned, Mozambique is moving to improve relations with its former suzerain state of Portugal, and officially became a member of the British Commonwealth at the Commonwealth Heads of Government Meeting held in Zimbabwe in 1997.

### 4. Relations with Japan

In recognition of the importance of Mozambique in the peace and development of Southern Africa, Japanese government policy positions Mozambique as a priority nation<sup>46</sup>. Under present circumstances, Mozambique can be credited with having a high level of political stability in comparison with other nations in the southern African region, such as Zimbabwe and Zambia<sup>47</sup>, and few factors are likely to create internal political instability after the peaceful conduct of the December 1999 elections. Consequently, once progress starts to be made in resolving the problems of landmines in Mozambique, Japan may develop assistance in the form of creating distribution networks to contribute to Mozambique's development focusing on the key industry of agriculture in the middle and long term.

Japan can also look to open up areas in which it can contribute to the development and sustainable use of marine resources, particularly prawns, which are currently the primary foreign currency earner for Mozambique.

<sup>44</sup> This was known as Operation Rachel, with the first operation conducted in July 1995, followed by a second. Firearms confiscated on September 6, 1995 were burned, an event which was broadcast on television. The third operation was executed from July 21 to August 11, reaping good results in Gaza, Inhambane and Sofala. Vines, A. (1999) p. 46.

<sup>45</sup> Strengthening SADC was positioned as a priority matter in the program submitted by Frelimo ahead of the 1999 election. Frelimo "Refer to Chapter 4, Box 1".

<sup>46</sup> Japanese Ministry of Foreign Affairs (e.d.) (1998) p. 563.

<sup>47</sup> This evaluation was expressed in interviews with Virginia Gwamba and Richard Cornwell, who are conducting multi-faceted research on security issues in the African continent based on the current situation at the Institute for Security Studies, in Pretoria. Interview, August 10, 1999.

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## Chapter 3. Economic Circumstances in Mozambique

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### 1. From Independence to the October 1994 Elections

Having gained independence from Portugal in June 1975 after a prolonged armed struggle, Mozambique strove to build a socialist nation under the post-independence Mozambique Liberation Front ( Frelimo ). Frelimo became the preeminent political party after the 3rd party congress held in February 1977 put Marxism-Leninism forward as national policy. The eruption of civil war with the anti-government Mozambique National Resistance ( Renamo ) immediately after independence and the failed attempt to collectivize agriculture soon forced Frelimo to revise its policy line to Socialism at the 4th party congress in April 1983. In March 1984 Mozambique concluded a friendship and non-aggression pact ( the Nkomati Accord ) with apartheid South Africa, and became a member of the IMF and World Bank. An economic rehabilitation program ( PRE ) was implemented from January 1987 with the approval of the IMF and the World Bank, accompanied by an economic policy based on market principles. The Marxist-Leninist philosophy was completely discarded by Frelimo at the 5th party congress held in July 1989, resulting in the commencement of church-mediated peace negotiations with Renamo in Rome in July 1990. These ran in parallel with a national debate on constitutional amendments including a

review of the one-party system which President Chissano had maintained since independence, and in November of the same year, a new constitution approving a multi-party system came into effect. The new constitution removed many of the contentious issues, and at the twelfth round of peace negotiations in October 1992, the leaders of Frelimo and Renamo signed a peace accord. This formed the basis for disarmament through the United Nations, the formation of a new national defense force, the return of refugees, the return of former soldiers to society and preparations for an election. Presidential and parliamentary elections were held one year behind schedule in October 1994. President Chissano was re-elected and Frelimo emerged victorious in the parliamentary elections, but against the strong demands of the international community for a united government to achieve national harmony, Frelimo launched a single-party government.

### 2. Domestic Economic Situation

#### 2-1 Macroeconomic trends

As shown in Table 3-1, Mozambique, which has progressed with a policy of the Structural Adjustment under the guidance of the IMF and the World Bank, has registered a high rate of real economic growth rate since 1994 ( but excluding 1995 ) reaching a level of 10% per annum or more since 1997 ( the 1995 downturn was caused by a

Table 3-1 Major Economic Indicators

	1994	1995	1996	1997	1998
GDP ( billion MT )	8,652.1	13,195	19,363	22,446	25,581
Real economic growth ( % )	7.5	4.3	7.1	11.1	11.0
Inflation rate ( % )	70.2	54.1	16.6	5.8	-1.3
Population ( millions )	16.6	17.4	18.1	15.7	16.1
Exports ( fob, \$ million )	147	174	226	234	295
Imports ( cif, \$ million )	1,019	729	802	855	965
Current account balance ( \$ million )	-870	-680	-665	-711	-778
Foreign debt ( \$ million )	5,649	5,751	5,842	7,300	7,150
Debt-service ratio ( % )	33.0	27.5	28.1	24.9	33.5
Cashew nut production ( 1000 tons )	29	33	67	35	49
Cotton production ( 1000 tons )	49	53	51	74	80
Prawn catches ( 1000 tons )	6.6	7.5	7.8	8.6	n/a
Foreign currency ( MT:USD )	6,039	9,024	11,294	11,544	11,535

Source: EIU, ( 1999 ) p. 6.

poor performance in agriculture due to drought) . There has also been a significant fall in the inflation rate since 1996, and gross domestic product has been increasing steadily. Despite this, however, the per capita national income remains at a low \$130 ( in 1998 ), and the UNDP Human Development Report ranks Mozambique 166th among 174 nations of the world in terms of the Human Development Index.

## 2-2 Industrial structure

Table 3-2 shows the contribution ratio by industry to the GDP in 1998. Agriculture contributed the largest proportion at 28.3%, followed by commerce at 20.2%, transport and communications at 11.5% and manufacturing at 10.0%. Although agriculture is the mainstay of the economy in Mozambique, there are disparities according to the region. Small-scale farming by Africans predominates in the northern region, where cassava and peanuts are cultivated mainly for personal consumption, while some cashew nuts and cotton are produced for local markets. In contrast, the central region was the centre of Portuguese plantations in the colonial period. These became national property following independence and became national farms under the agricultural collectivisation policy. These state-run farms were abolished after the failure to create a socialist society, and were divided up for small-scale farming development. Sugar, copra, tea and Sisal flax were the main export crops in this central region, while small African farmers produced rice, maize, peanuts and cassava. The southern region, in which the capital is located, comprised predominantly white farms that supplied the metropolitan population with food

( rice ) and vegetables ( potatoes ) . The small African farmers in this area produced maize, peanuts and cassava, and many of the adult males found work in gold mines in South Africa.

Mozambique is an elongated country in the north-south direction with a coastline facing the Indian Ocean. There are many inland countries to its west and it occupies an important geographic position inasmuch as it provides access to the sea. Mozambique is linked in the north to Malawi by the Nacala Railway, from its central region to Zimbabwe and Zambia by the Beira railway ( which also combines an oil pipeline to Zimbabwe ) in the southern region to Zimbabwe by the Limpopo Railway, to South Africa by the Maputo Railway, and to Swaziland by the Swaziland line. Plans for development corridors along the Nacala and Maputo railway lines in particular are currently being implemented ( see Chapter 3 ) .

Although the vast majority of the manufacturing industry became state-owned under the post-independence socialist regime, the government has been pushing ahead with privatisation as a part of the Structural Adjustment policies, and with a rapid increase in foreign investment ( see Chapter 3 ) , most of the government's privatisation program has been completed.

The labour force rose from 6.09 million people in 1991 to 8.47 million people in 1995, and is expected to reach 9.75 million in 2000. A breakdown of the number of workers in each industry in 1991 reveals that an overwhelming 77.6% of workers are engaged in agriculture, 10.7% in the public service and administration, 3.3% in commerce, 3.1% in manufacturing and 1.9% in transport and communications. A closer look at agriculture shows that 91.8% of women are working in this field against 63.0% of men, illustrating the importance of women in this industry.

Table 3-2 Contribution to GDP by Industry ( 1998 )  
( % )

Agriculture	28.3
Fishing	3.7
Mining	0.2
Manufacturing	10.0
Electricity	1.1
Construction	7.9
Commerce	20.2
Hotels	0.8
Transport and communications	11.5
Administration	2.2
Education	1.3
Health	0.4
Other	10.2

Source: Instituto Nacional de Estatística ( 1999 )

## 3. Economic Policy

### 3-1 Economic policy

The five-year development plan for 1995-1999 is currently being implemented, with the second 5-year plan ( 2000-2004 ) due for implementation from next year. I was, however, unable to obtain the new plan from the Ministry of Planning and Finance. during the field survey in August 16, 1999. There is virtually no possibility of a major change in the direction of the current plan being implemented under the guidance of the IMF and the World Bank, however, and even if Renamo were to take

power, the current path of economic liberalization being pursued is in line with Renamo's approach, which opposed the original socialist line of Frelimo. This makes it almost unthinkable that there will be any significant change in economic policy due to a change in government. Moreover, since Mozambique has been designated as a heavily indebted poor country (HIPC), calls for economic liberalization from Mozambique's creditor nations will only get stronger. For this reason, I focused on the key points and performance of the first five-year development plan.

The objectives of the plan are: 1) maintenance of peace; 2) eradication of poverty; and 3) promotion of rural development, education and health care. Regarding the maintenance of peace, there was concern that civil war could erupt as in Angola due to heightened anti-government activities by the opposition Renamo once the Frelimo single-party government was established after elections, but the possibility of this is negligible because of the thorough disarmament conducted by United Nations peace-keeping forces. Although there are points of conflict, parliament functions more or less in a normal fashion. The largest reason for this is, as mentioned above, that the economic policies of Frelimo are being executed almost entirely in line with the assertions of the opposition Renamo party, eliminating major points of contention.

The eradication of poverty has long been a pressing issue for Mozambique. As stated earlier, per capita national income remains at a low \$130 despite the high rate of economic growth rate and low inflation rate in recent years. The disparity arises from the low income of the rural people, which represents a major proportion of citizens. Rural development is therefore the top concern for economic development in Mozambique. What is more, not only did the civil war which followed independence impoverish rural villages, but an estimated one million landmines laid during that war remain even after the conclusion of a peace treaty, and with little progress being made in their removal, rural development is made even more difficult. Moreover, almost all primary and secondary schools and medical facilities in rural areas, which were the main attach targets by Renamo, were destroyed during the civil war, and their restoration is advancing at a very slow pace.

The first five-year development plan outlines the following eight specific measures for achieving its objectives: 1) rectification of regional disparities; 2) control of

inflation; 3) promotion of investment; 4) infrastructure development; 5) boosting of agricultural productivity; 6) industrialization; 7) development of the fishing and mining industries; and 8) enhancement of educational and health services.

The disparity between the industrialized southern region and the less developed northern and central regions is sizable. The government formulated a three-year Public Investment Plan (1996–1998) to address this regional disparity and is implementing public investment focusing on: 1) improved living standards, 2) economic recovery, and 3) institutional building. Table 3-3 shows public investment in 1999 according to province. This clearly shows a concentrated effort to rectify disparities in the northern and central regions. The fact remains, however, that development in the southern regions (particularly the Maputo development corridor plan) is booming while it lags in the central and northern regions. Plans have been laid for a Nacala development corridor plan in the north and a Beira development corridor plan in the central region as a means of resolving this, but these are far behind in comparison with the Maputo development corridor plan. Among above mentioned eight goals of the five year development plan, Goals in relation to 2) have generally been attained, control of inflation, while the promotion of investment is proceeding at a rapid pace. Infrastructure and improved agricultural productivity have not sufficiently recovered due to the after effects of the civil war. As far as industrialization is concerned, a breakdown of Mozambique's manufacturing shows

Table 3–3 Investment Balance by Province (1999)

Province	Investment Amount ( million MT )	( % )
Niassa	6,864.6	8.2
Cabo Delgado	7,699.4	9.2
Nampula	13,172.5	15.8
Zambezia	14,378.5	17.2
Tete	7,421.2	8.9
Manica	6,864.6	8.2
Sofala	8,905.4	10.7
Inhambane	6,215.2	7.4
Gaza	6,771.8	8.1
Maputo	5,194.8	6.2
Total	83,488.0	100.0

Source: Republica de Moçambique (1998)

61.8% is food and drink, 11.2% is non-ferrous metal, 11.1% is chemicals, 6.9% is textiles and apparel, 3.4% is metal and machinery, 3.2% is paper and pulp, 1.2% is lumber and 1.1% is base metals, revealing an overwhelming proportion of import substitution industries. The Ministry of Industry, Commerce and Tourism has therefore developed an industrial policy (discussed later) to diversify industry and promote export-oriented industries.

With a long coastline, Mozambique is in an ideal location for a fishing industry, and a good deal of effort is being directed towards the major export item of prawns and their farming. The development of mining resources, held up because of civil war, is also moving forward in recent years with the assistance of foreign capital. The state of enhancement of education and health services were stated already.

These measures were expected to deliver an annual economic growth rate of 6% during the period of the plan, but that target was not merely reached, it was exceeded by a large margin.

The industrial policy produced in August 1997 pronounced the following four targets to reduce the degree of external dependence: 1) boosting added value of natural resources; 2) improvement of the trade balance; 3) fulfilment of basic needs; and 4) the adoption and promotion of intensive-intensive technology. The following measures were put forward to achieve each of the targets.

For 1) - a) expanded linkage between sectors through the corridor development plans; and b) relative priority based on the use of existing resources.

For 2) - a) recovery and improvement of traditional export industries; b) development of export-oriented industries; and c) development of import substitution industries based on domestic resources.

For 3) - a) supply of basic consumer goods and producer goods; b) creation of employment through the improvement of intensive force quality; and c) development of small-medium enterprises.

For 4) - a) modernization of existing production methods; b) promotion of technology-improvement abilities; and c) development of human resources.

### 3-2 Finance

The Mozambican fiscal year runs from January to December.

A massive fiscal deficit was recorded for 1997 with revenue at 4.5858 billion Metical (MT) and expenditure at 9.142 billion MT. This deficit is mostly covered by for-

ign aid.

The breakdown of percentages of revenue shows the largest proportion coming from consumption tax on 56.4%, followed by income tax on 20.8% (of which corporate tax accounts for 9.2% and personal income tax for 11.6%), then tariffs on 19.2%, petrol tax on 14.8% and miscellaneous on 3.7%. Value Added Tax (VAT) was introduced in April 1999 to replace the previous sales tax in an effort to increase revenue.

Expenditure, on the other hand, is divided into current expenditure of 4.2722 billion MT and investment expenditure of 4.832 billion MT. The major components of current expenditure are finance and services (11%), public servant wages (10.4%) and defence expenditure (9.2%).

Some 71% of the 4.5184 billion MT deficit is compensated for by foreign grants.

### 3-3 Privatization

The privatisation of Mozambique's national companies began in 1989. The Inter-Ministerial Commission for Enterprise Restructuring (CIRE) was established in 1991, followed by the creation in 1992 of Executive Privatisation Commission (CEP) (Executive Privatisation Commission), comprising representatives from Mozambican banks, the Ministry of Planning and Finance, the Investment Promotion Centre (CPI) and intensive unions. The Technical Unit for Enterprise Restructuring (UTRE) was also established within the Ministry of Planning and Finance to provide CEP with technical support. The restructuring of small-medium industry is conducted by the National Valuation and Sale Commission (CNAA) or the Provincial Valuation and Sale Commission. Privatisation can take any of the following three formats: 1) direct privatisation, 2) joint ventures with government, or 3) business contracts.

Some 840 of the 1248 companies were privatised during the period from 1989 to the end of 1997. This consists of 434 industrial companies, 162 agricultural and fishing companies, 136 construction companies, 64 transport and communications companies, and 44 others, leaving 408 companies (the majority of which are small-medium industries). Over 90% of all companies privatised were obtained by Mozambicans. In terms of capital, however, approximately 50% were obtained by foreign venture companies or became joint ventures; most companies obtained by Mozambicans were small-medium in size. Participants in foreign venture companies are Portugal, South Africa, the United States, England, the Nether-

lands, Denmark, Norway, Cyprus, India, China, Zimbabwe, Swaziland and Mauritius.

Looking at privatisation of major companies chronologically, six were privatised in 1992, 12 in 1994 ( in one case the Portuguese Cimpor obtained a 51% share of Cimentos de Moçambique stock ), 12 in 1995 ( the Dutch subsidising of South African Breweries Indol BV acquired MacMahon and Beira Breweries ), 22 in 1996 ( the American Seaboard Corporation acquired 80% of stock of miller Mobeira; in joint ventures, the Portuguese Barbosa and Almeida acquired 54.55% of glass manufacturer Vidreira de Moçambique, and South African company Outspan obtained a 90% holding in Frigo, a frozen storage company ). Fifteen companies were privatized in 1997 ( including major privatization of agricultural equipment manufacturer Metecna, marine transportation company Navique, airline TTA, tea plantation Eموcha, and the copra plantation Boror ), and the lumber firm Ifloma, marble quarry Marmonte, construction company CETA and fishing net manufacturer CIMA were among those privatized in 1998.

With the cooperation of the World Bank, the government conducted a provisional survey on the results of privatisation in 1996. In terms of the effect on the economy, a positive assessment was made in that: 1 ) there was a general rise in turnover and production; 2 ) although employment was unchanged, wages had either risen or were stable; and 3 ) the collection of corporate taxes for national revenue had risen. Evaluation of the effects on employment showed that: 1 ) employment rate had fallen away slightly; 2 ) post-privatisation companies were employing young, qualified workers; 3 ) employees were satisfied with the management of companies after privatisation and were more active in making suggestions; and 4 ) 34% of employees thought business management had improved following privatisation, while 28% saw business as unchanged.

In order to encourage participation in industry by Mozambicans, the government established a 15 billion MT Economic Rehabilitation Support Fund ( FARE ) in August 1996, providing finance to 65 small-medium businesses to this point. A decree ( No. 10/97 ) was then made in May 1997 extending the payment limit for company acquisition, and applying low rates of interest.

The privatisation of banks was also undertaken at the same time as the privatisation of companies, and the last remaining state-run bank—Banco Popular do desenvolvimento ( BPD )—was sold to a Malaysian-Mozambican

consortium in September 1997. Malaysia's Southern Bank Berhad of Malaysia obtained a 30.6% holding of stocks, and Mozambique's Investor Ltd. acquired 29.4%. Mozambique's largest state-run bank, Banco Comercial de Moçambique ( BCM ) was acquired by a Portuguese-Zimbabwean-Mozambican consortium in July 1996.

The government has created the Mozambican Stock in order to vitalize the Mozambican capital market, and aims to have a stock exchange up and running in the near future. This project is also receiving cooperation from the Lisbon Stock Exchange in Portugal, the World Bank, Swedish Development Agency and major Mozambican companies.

#### 4. External Economic Relations

##### 4-1 Trade

As can be seen in the trade figures since 1994 shown in Table 3-1, every year Mozambique imports much more than it exports. This is due to the relaxation or removal of various regulations in line with economic liberalization, and also to the fact that the Mozambican economy exhibits the typical economic pattern of a developing nation in that exports still consist of primary products while imports are relied upon for intermediate and capital goods.

Major export items ( 1998 ) in order are prawns ( 24.6% ), cashew nuts ( 13.8% ), electricity ( 11.6% ), cotton ( 7.6% ), lumber ( 3.7% ), sugar ( 2.8% ), minerals ( 2.4% ) and copra ( 1.7% ); marine and agricultural products therefore account for the majority of Mozambique's exports. An noteworthy export item, is the electricity generated by the Cabora Bassa hydroelectric power plant which is transmitted to South Africa via power lines. Although reserves of mineral deposits are thought to exist, civil war has left these undeveloped to this point so the possibility of growth in this area is high.

Imports ( 1997 ), on the other hand, have burgeoned along with the commencement of the development corridor plans, which will be discussed later. These include machinery and electrical appliances ( 18.3% ), transportation machinery ( 15% ), minerals ( 13% ), fruit and vegetables ( 12.7% ), food, drinks and tobacco products ( 7.6% ), chemical products ( 6.8% ), textile products ( 5.7% ) and metals and metal products ( 5.1% ).

Under the post-independence socialist line, Eastern-bloc nations were major trading partners, accounting for 16.7% of exports and 26.4% of imports. Since the col-

lapse of socialism in the former Soviet Union and Eastern Europe at the end of the 1980s, however, ties with the West have been strengthened. Major export destinations in 1997 were Spain ( 18.4% ), South Africa ( 17.3% ), the United States ( 11.7% ) and Portugal ( 8.8% ), while by far the highest percentage of imports came from South Africa ( 32.7% ), followed by Portugal ( 6.1% ), the United States ( 5.2% ) and Japan ( 4.5% ). Apart from South Africa, trade with other neighbouring African nations has been increasing over the past few years, with exports to Malawi standing at 7.8% and those to Zimbabwe at 4.0%, while imports from Zimbabwe account for 2.3% and those from Swaziland for 2.0%. Overall, the EU accounts for 42% of exports and 15% of imports, with Spain in particular being a major importer of fish and prawns.

According to the "Trade Policy and Strategies" produced by the Ministry of Industry, Commerce and Tourism in April 1999, the government is currently focusing efforts on the following areas: 1) expansion of exports and the diversification of export items to improve the trade balance; 2) market expansion through improved quality and pricing; 3) expansion of exports through domestic processing of raw materials; and 4) expansion of exports through the promotion of regional cooperation. Priority areas in relation to external trade are: 1) expansion and diversification of non-traditional exports; 2) development of new markets; 3) expansion of exports through domestic processing of raw materials; and 4) promotion of regional cooperation. This reveals an emphasis on the role of the private sector, while the government provides the environment to allow the increase of exports by private corporations.

#### 4-2 Foreign investment

Figures from the Investment Promotion Centre ( CPI ), which deals with the investigation, approval and acceptance of foreign direct investment, show that more than 670 approvals were made between 1985 and 1999, with the monetary value of foreign direct investment already in excess of \$1 billion, a figure which has leaped since 1997 in particular. South Africa is the greatest source of this investment, making 180 investments during the period from 1985 to the end of 1998 to a value of \$762.31 million ( 63.4% of total investments ). In second position with 225 investments is Portugal ( \$169.55 million, 14.1% ), then England with 60 investments ( \$47.25 million, 3.9% ), Hong Kong with 3 ( \$25.59 million, 2.1% ),

the Netherlands with 7 ( \$23.63 million, 2.0% ), the United States with 12 ( \$22.27 million, 1.9% ), Mauritius with 5 ( \$22.2 million, 1.8% ) Swaziland with 11 ( \$15.86 million, 1.3% ), France with 10 ( \$15.53 million ) and Zimbabwe in tenth position with 42 investments totalling \$12.47 million ( 1.0% ).

Investments in 1998 by industry reveal the most ( 68 ) in manufacturing ( \$438.28 million, 52.3% ), followed by 34 investments in agriculture and agricultural produce processing ( \$133.57 million, 15.9% ), six cases in finance and insurance ( \$71.25 million, 8.5% ), 18 investments in tourism and hotels ( \$60.52 million, 7.2% ), and 15 in transport and communications ( \$54.89 million, 6.6% ).

A breakdown of investments in 1998 by province shows 120 projects, 67.6% were invested in Maputo, ( \$566.16 million ), then Sofala with 24 ( \$111 million, 13.3% ), Manica with 6 investments ( \$32.34 million, 3.9% ), Zambezia with 5 ( \$30.96 million, 3.7% ), and 17 in Nampula ( \$29.05 million, 3.5% ), pointing to a concentration in Maputo where the capital is located.

Large-scale foreign investment is directed particularly towards the following major projects.

##### ( 1 ) Mozaru Aluminum Refining project ( Maputo )

Commenced in 1998. Investing foreign companies are the London stock exchange-listed Billiton, which is part of South Africa's Gencor; Japanese Mitsubishi; South Africa's IDC; and an International Finance Corporation. Annual production of 245,000 tons. Operations to commence in November 2000. Total investment of \$1.3 billion.

##### ( 2 ) Construction Project of paved road between Maputo and Johannesburg.

International consortium centred on the French company Bouygues. Construction commenced on the Mozambique side in June 1998. Slated for completion in March 2001. Total investment of \$90 million.

##### ( 3 ) Repair Project of transmission line from the Cabora Bassa hydroelectric power plant, which produces 2,075 MW electricity.

Total cost of works was \$125 million. Completed in December 1997. Total investment of \$200 million from an international consortium consisting of oil and natural gas exploration companies Atlantic Richfield, Enron, BP, Lonrho, Scimitar, Antrim, Leopardus, Norbay and SASOL.

#### ( 4 ) Construction Project of Four Sugar Mills

Investment of \$200 million in four mills in Maraga, Xinabane, Mafambisse and Marromeau. Investment by South Africa's Illovo Sugar, Tongaat-Hulett, and an investment group from Mauritius.

The following three Corridor Development Projects, which include some of the above major projects, are currently being planned and implemented for the southern, central and northern regions.

#### ( 1 ) Maputo Development Corridor Projects

This is a regional development project to link Maputo with South Africa's industrial center, Johannesburg. Although some 40% of South Africa's industrial exports were previously shipped from Maputo's port, this has plunged to just 5% in recent years. A plan was formulated in 1996 to re-open this same route while developing the surrounding region at the same time. In May of the same year, President Chissano held an investors' conference in Maputo, calling for cooperation from the private sector for the restoration of the corridor. The plan anticipates investment over four years of 23 billion rand and the creation of 80,000 jobs, and is made up of the following points: 1 ) the construction and improvement of national highway No. 4 linking Maputo and Johannesburg; 2 ) development of a 90 km railway linking Ressano Garcia and Maputo; and 3 ) redevelopment of Maputo port through dredging. Private investors also expressed considerable interest, and work on national railways commenced in early 1998 after an order contract was concluded with Trans-Africa Concessions, an international consortium including South African and French corporations. Accompanying this plan, which focuses on infrastructure development, are also the construction of a coastal hydroelectric power dam and the extraction of natural gas ( a pipeline running from Panda in Inhambane to Maputo ). America's Enron entered into a contract, and work commenced in 1999. In the second stage, the pipeline will be extended to South Africa. Total investment amounts to \$300 million.

#### ( 2 ) Beira Development Corridor Plan

This plan originates as far back as the early 1980s, but was severely delayed until the early 1990s by civil war. A meeting between SADCC and 32 aid-donor countries was held in November 1980, where an agreement was reached for the restoration of the corridor in a 10-year plan with investment of around \$280 million. Of particular urgency

was the re-opening of the oil pipeline to Zimbabwe which had been closed since the Unilateral Declaration of Independence ( UDI ), and this was achieved in 1982. Request was made for aid of \$200 million for the 10-year plan at the January 1986 meeting between SADCC and the aid-donor countries. Based on this, the Mozambican and Zimbabwean governments established the Beira Corridor Authority ( BCA ) and the Matipanda-Beira Authority ( MBA ), respectively, and at the same time, set up the public corporation Empresa Austral de Desenvolvimento ( EAD ) and the private organization Beira Corridor Group ( BCG ) for their operation.

Development and restoration were divided into stages, namely: 1 ) urgent, 2 ) interim, and 3 ) additional, and funding was provided by the Netherlands, Scandinavian nations, EEC, the African Development Bank and Italy. The first stage was completed in October 1987, resulting in a 40% increase in cargo volume handled through Beira port. In the second stage the emphasis was on expanding port functions through port and dock extensions and a boosting of port management capabilities, although the plan was substantially delayed. Objectives for the third stage are to accommodate containers, restore road and rail access to the port, and develop the area around the corridor.

#### ( 3 ) Nacala Development Corridor Plan

A meeting of the standing committee comprising representatives from both nations ( Malawi and Mozambique ) was convened in June 1999 to deliberate the outline of the plan. This was followed by a cabinet meeting ( Nampula ) in July where a Memorandum of Understanding consisting of 15 articles was signed. This Memorandum puts forth as its objectives: 1 ) greater efficiency in transportation, telecommunications and energy systems to encourage foreign capital; 2 ) economic growth through coordination of the transport, agricultural, commercial, manufacturing, mining and tourism sectors; and 3 ) expansion of trade ( Article 2 ). The following were prescribed as specific plans: 4 ) restoration of railways; 2 ) improvement of Nacala port facilities and establishment of an export processing district; 3 ) construction of a power grid; 4 ) construction of the Nacala International Airport; and 5 ) improvement of roads ( Article 3 ). Bodies created to implement the plan were: 1 ) joint cabinet councils; 2 ) joint technical committees; 3 ) standing committees in both nations; and 4 ) coordinating committees in both nations ( Articles 4 -

8) . In addition, conference for aid-donor countries and investors in Nampula was held in October 1999 for the implementation of the plan. The Nacala development corridor plan has only just begun to gain momentum, and further activity will depend on the attitude of aid-donor countries and investors.

#### 4-3 Debt burdens and a Heavily Indebted Poor Country

The IMF and World Bank have implemented the following & structural Adjustment Programs in line with the 1987 commencement of economic liberalization.

Table 3-4 Structural Adjustment Financing for Mozambique by IMF

IMF	Amount Approved ( Million SDR )	Amount Implemented ( Million SDR )
June 1987 ( SAF )	43	43
June 1998 ( ESAF )	130	115
June 1996 ( ESAF )	76	38
Total	249	196

Notes SAF: Structural Adjustment Facility  
ESAF: Expanded Structural Adjustment Facility

Table 3-5 Structural Adjustment Financing for Mozambique by World Bank

year/type	\$ million	\$ million
August 1987 ( Rehabilitation Trust )	70	72
June 1992 ( Economic Rehabilitation Trust )	180	188
May 1994 ( Rehabilitation Trust )	90	91
June 1994 ( 2 <sup>nd</sup> Economic Rehabilitation Trust )	200	208
February 1997 ( 3 <sup>rd</sup> Economic Rehabilitation Trust )	100	50
Total	640	609

Source: IDA and IMF ( 1998 )p. 31.

Bilateral and multilateral aid for Mozambique, however, is as shown in the table 3-6 below.

Table 3-6 Bilateral and multilateral aid for Mozambique

( Unit: 100 mil. SDR )

year	1993	1994	1995	1996	1997
Bilateral	812.8	733.6	698.3	551.9	621.6
Multilateral	1183.1	1231.2	1101.3	922.9	963.1

Source: DECD/DAC ( 1998 )p. 194

As evidenced by the table, both bilateral and multilateral aid is on the decline after peaking with the October 1992 peace treaty and the October 1994 elections. Table 3-1 shows, nonetheless, that Mozambique's external debt has been on the rise since 1994, with the debt-service ratio exceeding 33% in 1998.

In the meantime, measures to reduce the bilateral debt of heavily indebted countries were produced at Summit meetings, and agreement was reached at the 1988 Toronto Summit for a reduction rate of 80%. Then in October 1996, the Initiative for Heavily Indebted Poor Countries ( HIPC ) emerged as a comprehensive debt relief measure. The IMF and World Bank set the criteria for a HIPC as a country which, as of 1993, had a per capita GNP of no more than \$695 and had total debt of 2.2 times or more its annual export value, or 80% or more of GNP.

After being recognized as an HIPC in April 1998 ( decision point ) , Mozambique rigorously executed the required Structural Adjustment Programs, and in June 1999 it was approved to reach the completion point. Some \$3.7 billion of debt was erased, and the repayment of principle plus interest was able to be kept down to an annual average of \$73 million for the period 1999-2005 as a result. Excess funds arising from debt relief measures were required to be priority allocated to such areas as the eradication of poverty and education, health and medical care.

#### 4-4 Relations with neighbouring nations

Mozambique was previously a member of two regional organizations in the southern part of Africa; namely the Southern Africa Development Community ( SADC ) and the Common Market for Eastern and Southern Africa ( COMESA ) , but withdrew from the latter in 1997. In SADC, Mozambique is in charge of departments dealing with transportation, communications and meteorology, and culture, information and sport, and through these bodies, it is contributing to the development of the region as a whole. The department of transport and communications in particular accounts for 174 of the 404 SADC plans ( 44.7% ) , and commands 80% of the total budget. With support of SADC from advanced countries dwindling following the end of the Cold War, the department has been forced to re-evaluate its plans. Despite Mozambique being a former Portuguese territory, it joined the Commonwealth in November 1995. Although the reasons for this action are unclear, it is possible that



Mozambique was requested to become a member by surrounding Commonwealth nations due to its geographical advantages of access to the sea.

Through the development corridor plans presented earlier, Mozambique has fortified its links with coastal countries ( and also with inland countries linked by rail ) It has strengthened ties with the Republic of South Africa and Swaziland through the Maputo Development Corridor plan, with Zimbabwe and Zambia via the Beira Development Corridor plan, and with Malawi and Tanzania through the Nacala Development Corridor plan. Trade with Malawi in particular is on the increase, leading to the signing in September 1999 of an agreement allowing the mutual use of the other nation's currency. Negotiations are underway with South Africa, Zimbabwe and Tanzania for the same agreement, but difficulties are foreseen.

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## Chapter 4. Social Development

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### 1. Importance of Social Development

What is social development? The answer to this can be found in the Universal Declaration of Human Rights, especially in Articles 23-26. The Declaration pronounces social and cultural rights to be a basic human right, and gives specific guarantees to rights relating to social security, labor, minimum living standards ( food, clothing, housing and medical care and necessary social services, and security in the event of unemployment, medical care, disability, etc. ), care and assistance for mothers and children, education, and culture. Social development can therefore be defined as development through activities aimed at guaranteeing social and cultural rights. In this paper, I shall examine Japanese assistance for the social development in Mozambique based on this definition.

Mozambique's income level is among the lowest in the world, while its human development index ( HDI ) is the lowest in southern Africa, and classifies it as a "low human development" nation<sup>1</sup>. Mozambique also ranks among the world's lowest in economic and social development. Development in the nation's capital Maputo, however, is so striking that it seems to make a lie of these indices. When the study group visited Maputo in August 1999, the people were cheerful, and we could sense the happiness as they went about rebuilding their lives from the ruins of a long and destructive civil war. Whether it is because Maputo has the openness of a port city, but people were friendly and the city itself was vivid and full of life. The many government officials we spoke to were full of enthusiasm. There is, however, another side of Maputo that tends to remain hidden in the shadows. Five minutes' drive from the high-rise buildings of the city are crowded slums with thriving black markets amid rows of shanties and hovels over which lies an all-pervading stench from drainage systems that are at best completely inadequate, and at worst, non-existent. Our eyes were confronted by sights that can be seen in any developing country: people missing limbs and elderly people begging on street corners, and street children hoping to earn enough money to buy bread by standing watch over

parked cars. Annual flooding normally inflicts the most damage on the poor, who are constantly sharing their lives with adversity, but the floods that struck the three southern provinces in February and March 2000 were the worst ever. In Maputo itself, landslides in poor residential areas forced many residents to evacuate their homes. While rural poverty is manifest in a lack of access to socioeconomic means compared to city residents, there exists a massive socioeconomic infrastructure gap between the wealthier southern regions on the one hand and the poorer central and northern regions on the other. In the December 1999 presidential and parliamentary elections, people in the central and northern regions who had fallen behind in Mozambique's economic growth expressed their frustration and anger by voting for the opposition, and in these areas the opposition Renamo party moved ahead of the government, so overall, the gap between the votes for the government and opposition parties and their presidential candidates was much narrower than it was for the 1994 election.

Reflecting this regional disparity and poverty, the government's five-year development plan ( 1995-99 ) announced in April 1995 focused on social development with a view to maintaining peace, stability, national unity, and alleviating poverty. Within this, the plan gave highest priority to education, health and sanitation, and employment. Other social development issues included housing, environmental preservation, awareness and promotion of Mozambican culture, promotion of sport and youth activities, liberation of women, family and community support organizations, and social activities especially aimed at supporting children, women, elderly people, physically disabled people, internally displaced people, returning refugees, and demobilized soldiers, respect for religion, and support for the expatriate community<sup>2</sup>. The 2000-2004 program announced by the new administration in February 2000 also gives social development the highest priority, so in this sense, it continues on from the previous program<sup>3</sup>. Setting the eradication of absolute poverty as its primary objective, the social development chapter of the new government program highlights edu-

<sup>1</sup> UNDP ( 1998 )p23.

<sup>2</sup> Conselho de Ministros ( 1995 ) .

<sup>3</sup> FRELIMO ( 1999 ) . Box 1.

cation, health

### Box 1. Government Programme for 2000-2004 ( Summary Translation )

The Government Programme for 2000-2004 is a Mozambican government policy document released by the recently-re-elected administration in February 2000 as a five-year development plan. It is basically identical to the government programme ( draft ) announced by the Frelimo Party prior to the presidential and legislative elections, which took place in October 1999.

#### Government priorities

Over the next five years, the government will give preference to activities aimed at reducing poverty, achieving rapid but sustainable economic development, reducing regional disparities, and strengthening peace, national unity, judicial power, democracy and patriotism, and will work towards these goals. In more specific terms, government activity priorities are as follows:

Improvement of the standard of living for the majority of people; improvement of the status of women; expansion and quality improvement of education services that give priority to basic education, including literacy; quality improvement of health care, water supply and sanitation services; economic growth; creation of an economic environment favourable for the development of the domestic private sector; reduction of bureaucracy; economic development geared towards poverty reduction and the reduction of regional disparities; creation of a socio-economic infrastructure that promotes rural development; promotion of agricultural and industrial development; development and modernisation of the transport sector; development of the tourism sector; respect for human rights; national unification based on respect for cultural diversity and the traditions and creeds of racial/ethnic groups; strengthening and modernisation of national-level public administration; decentralisation; and political ethics and fight against corruption

Classified into four sectors, these are explained in detail below.

#### ( 1 ) Social development

In this sector, the Government identifies poverty reduction as its main goal, attaching particular importance to education services, health care support, employment creation, improvement of workplace/residential environments, improvement of the status of women, re-evaluation of the role of families, harmonisation between families and society, and ecological and environmental balance. In more concrete terms, the Government will pursue the achievement of the following goals:

Expansion of access to primary education and improvement of the quality of education; dissemination of sanitation information and promotion of disease prevention through training, greater access to medical and health care support through improvements in the quality and accessibility of health care services, community participation in health care programmes, co-operation with practitioners of traditional medicine, and encouragement of community participation in the management of health care units; formation of a socio-economic environment favourable for employment creation, invigoration of the informal sector, establishment of a vocational training policy and programme geared towards human resource development; introduction of rules aimed at ensuring the maintenance of ecological diversity and balance through adequate control over the use of natural resources and release of toxic substances; promotion of cultural and sporting activities geared towards well-rounded character development and the improvement of physical fitness and mental health, and fostering of a culture that forms the basis of economic and social development; promotion of women's participation in economic and social activities; promotion of the integration of socially disadvantaged people in such a way as to enable them to live as members of society with dignity and full civil rights; and promotion of investment in housing.

#### ( 2 ) Economic development

In addition to strengthening the achievements of economic development, the Government will pursue the energisation of economic development for poverty reduction, reduction of regional disparities and fostering of Mozambican entrepreneurs as top priority tasks for the next five years. Regarding the fight against poverty, the Government defines main policy directions as follows:

Promotion of rapid but sustainable economic growth centring on the labour-intensive sector, improvement of the productivity of family farms in areas with a high agricultural/ecological potential, preferential investment of public funds in human resource development in education, health care, water supply, sanitation and communications, development of an economic infrastructure conducive to regional development, protection of socially disadvantaged people and provision of employment/self-employment opportunities for them through social assistance/security programmes; and the top-priority implementation of the following for the purpose of reducing regional disparities and advancing administrative decentralisation: development of a distribution network; spread of agriculture, provision of assistance and promotion of production/development; increased investment in the maintenance and expansion of school and health care networks in all districts; preferential repair and maintenance of communications networks in areas with poor access to means of transport; development of new communications networks; promotion of regional water supply services; and establishment of a mechanism that encourages investment in underdeveloped areas.

#### ( 3 ) National institutions

The Government will strengthen public sector services such as health care, education, agriculture, environmental management, public security, judiciary and public administration by advancing the processes that are already in place, while recognising the need for modernisation. The State guarantees civil rights, including suffrage, and broader social equality, and will invigorate socio-economic development for the whole society. The decentralisation of public administration is one of the pillars of the national modernisation process. The transfer of powers and special jurisdiction to provincial and municipal governments forms an important basis of decentralisation, and represents a form of public welfare management that is compatible with people's pursuit of private interests and the management of disputes and related administrative processing.

#### ( 4 ) Foreign policy

Changes arising from the dynamics of international relations, notably the ongoing globalisation trend and the formation of regional blocs, have necessitated Mozambique to readjust and reposition itself. For this reason, they will form the basis of the Government's foreign policy for the next five years. National interests, such as the country's human and natural resource potential, including its geostrategic position in the regional and international context, will be protected and promoted. Cultural assets as the embodiment of the racial/ethnic diversity of Mozambique will be promoted, as they are important not only in strengthening the national identity but also in winning the friendship and respect of the international community. The reinforcement and promotion of a peaceful culture, dialogue and reconciliation represent the guiding principles of the State's relationship with its people and the rest of the world. In external activities, balanced and integrated development in various countries in the region will be pursued, with the bolstering of the SADC given top priority with a view to helping foster a favourable environment for these countries to create a mechanism for the avoidance, management and resolution of disputes, fight against organised crime and shared management of natural resources. The relationship between international law and domestic laws that have newly taken effect is an important factor that will integrate Mozambique into the world community.

#### Comment

Compared to the 1995-1999 programme, there are more concrete policy descriptions on the reduction of regional disparities, poverty reduction through economic development and reform of national institutions as key ingredients for lasting peace. Although the tasks are enormous, the new programme seems to reflect the stabilisation and growing confidence of the Government, which has just been given mandate for a second term. Nevertheless, there is a need for the Government to formulate concrete policy measures and activity plans for each sector and take concrete actions in the future so as not to let the programme end up as just a "pie in the sky".

( translated by : A.Shimohira )

services, job creation, improved working conditions, housing, legislation to protect women's rights, valuing the role of the family, promoting harmony between family and society, and ensuring a balance with the natural environment as specific initiatives and measures to ensure a social life of greater dignity and improved quality of life.

The Japanese government generally shares Mozambique's views about the importance of social development, given that policy dialogue, in April 1994 on grant aid and technical cooperation positioned the social sector as a pivotal field of aid for Mozambique, and also that social development and the eradication of poverty was specified in the Tokyo Action Plan adopted at the 2nd Conference for African Development in October 1998.

Next I will discuss the issues of poverty, water supply, and landmines, and the major players working to rectify social disparity besides health and education.

## 2. Poverty, Water Supply and Landmines

### 2-1 Poverty

#### 2-1-1 Poverty reduction policies by Mozambique Government

##### (1) Strategy for poverty reduction

In March 1995 the Poverty Alleviation Unit in the Ministry of Planning and Finance prepared the *Strategy for Poverty Reduction in Mozambique*. The strategy is based on three objectives: improving living conditions in the rural areas, investing in human capital, and building a disaster safety net. The strategy states that improving rural living conditions can be achieved by free participation in all stages of export goods sales and processing, implementing current policies that guarantee free trade of food grains, promoting free competitive marketing by the private sector through the elimination of unfair regulations relating to the accreditation and operations of agricultural dealers, and promoting investment in the regional road infrastructure. In investing in human capital, the strategy gives highest priority to public expenditure on primary education in rural areas, basic health services, and safe water supply and sanitation. Regarding the disaster safety net, the government will carry out a detailed review on rural and urban safety nets, and a detailed technical study on its options for building a regional disaster safety net.

This strategy leans more toward being merely a declaration of poverty reduction by the government, and contains no specific action plan to achieve its objectives. In contrast, the *Action Plan for the Reduction of Absolute Poverty* and the *Poverty Reduction Strategy Paper* put forward sector-based or integrated poverty reduction plans, so in this sense, they can be said useful as policy documents.

##### (2) Action plan for the reduction of absolute poverty

In December 1999 the government announced the *Action Plan for the Reduction of Absolute Poverty 2000-2004* (PARPA). PARPA contains mid- to long-term national and sectoral objectives aimed at reducing poverty, and complements current socioeconomic plans, the three-year public investment plan, the annual national budget and other policy documents. Reflecting various national and sector-based strategic plans, PARPA also sets out a range of comprehensive and integrated poverty reduction initiatives.

Part 1 of PARPA defines the concept of poverty as "the inability of individuals to ensure for themselves and their dependants a set of minimum basic conditions for their subsistence", and presents detailed analysis based on the *First National Assessment*. Based on this assessment, the government produced the *Action Guidelines for the Eradication of Absolute Poverty*, in which it identified the strategic sectors of education, health, agriculture, employment, basic public works, social assistance, and improving the status of women. Part 2 covers poverty reduction in the demographic and macro-economic context, while Part 3 lists the general objectives of the plan, Part 4 discusses sectoral objectives and targets, and Part 5 covers coordination, implementation and monitoring by the relevant ministries and agencies.

Here I shall discuss Parts 3 and 4 in some detail. Part 3 states that the general objective of PARPA is to develop effective coordinated monitoring of activities to reduce poverty in the medium term and eradicate it in the long term. Key elements are:

- (1) Maintain economic stability and a rapid and sustainable pace of economic growth, taking into account the trends in the country's demographic variables.
- (2) Harmonize between PARPA and other policy instruments such as the Population Policy, the Food Security Strategy, the National Strategic Plan to Fight STD/HIV/AIDS, the Post-Beijing Action Plan and the

Integrated National Social Action, Employment and Youth Programme.

- (3) Allocate resources so as to reduce poverty through a medium-term budget policy.
- (4) Guarantee institutional coordination and partnership between the Government, NGOs, religious confessions and the private sector on poverty reduction initiatives.

Part 4 lists objectives for the next five years in sectors that will contribute to a reduction in poverty, including education, health, social action, agriculture and rural development, employment, and infrastructure. Major components that should be mentioned are, in education, access to education opportunities, reduction in adult illiteracy, and expansion of technical-vocational education; in infrastructure, expansion and improvement of the infrastructure network, access to clean water, improved access to and quality of housing, access to safe and sustainable energy, and access to communications; and in health, expanded access to and improved mother and child and under-five health care, and STD/AIDS.

Across all sectors PARPA merely sets broad targets, so as a manual for specific actions, it would seem to be somewhat vague. Although the fact that the Mozambique government itself has formulated the basis of a tangible and comprehensive action plan to reduce poverty is indeed significant, we must nonetheless be mindful that for the plan to work, programs still have to be implemented under detailed sectoral plans.

### (3) Interim Poverty Reduction Strategy Paper

As already mentioned in detail in other sections, Mozambique, a model country of the World Bank and the IMF, was identified as a HIPC in April 1998 and reached the completion point in June 1999, resulting in debt relief amounting to \$3.7 billion, and agreement that annual principal and interest payments would be kept to about \$73 million until 2005. As the next step, the World Bank and the IMF made recognition of Mozambique as an extended HIPC conditional on its submitting the *Interim Poverty Reduction Strategy Paper* (PRSP), and in February 2000, the Mozambique government released its Interim PRSP. PARPA formed the basis of the Interim PRSP, and the Final PRSP is expected to be completed during the first quarter of 2001.

The Interim PRSP seems to be a summary or revised version of PARPA, though it is more advanced in its pov-

erty reduction analysis, and presents general and individual objectives comprehensively in tabular form. However, because it is a new approach, considerable difficulty is foreseen in its implementation. The Ministry of Planning and Finance is running seminars explaining PARPA in each province, but the question is whether the Ministry can ensure PARPA reaches all levels simply by holding a few seminars and handing out some documents. But it is difficult to full meaning of PRSP at the local development front. Mozambique is notorious for the vertical nature of its ministries and agencies, so will the World Bank take the initiative and implement PRSP programs to ensure the PRSP is on the right track? Realistically, it would seem that at least in the short term, sectoral programs or programs targeting specific areas will continue to be implemented as they have been to date.

### 2-1-2 Regional poverty distribution

Mozambique's first national household survey on living conditions covering 8,274 households across the nation was conducted in 1996 and 1997, and from this survey, the Ministry of Planning and Finance, the Eduardo Mondlane University, and the International Food Policy Research Institute jointly produced the report *Understanding Poverty and Well-being in Mozambique: The First National Assessment (1996-1997)* in December 1998. According to the Assessment and as shown in Table 4-1, 69.4% of the population live in absolute poverty, and the poverty rate is about 62% in urban areas compared to about 71% in rural areas, indicating the seriousness of the rural poverty problem. A regional breakdown shows a much higher incidence of poverty in the central region with 74%, compared to 66% in both the northern and southern regions. By province, the poverty rate is 82% in Tete, 88% in Sofala and 82.6% in Inhambane, but around 60% in the other seven provinces (Table 4-2).

Table 4-3 shows the state of poverty through non-consumption-based welfare indicators, and it is interesting to note that these figures highlight a different kind of regional poverty from that indicated in Tables 4-1 and 4-2. Cabo Delgado is one of the better performing provinces with a lower percentage of people living in poverty, yet it has the nation's highest level of female illiteracy with 92.6%. Zambezia has relatively low indices for infant malnutrition and access to safe water, while Nampula has the lowest index for infant mortality at 216 per

1,000 live births, indicating distinctive regional characteristics and rural areas: the female illiteracy rate is 40% in the cities. The tables also show a wide gap between urban

Table 4-1 Average consumption and poverty estimates by region

Region	Percentage of the population (%)	Monthly average consumption (Mt) <sup>1)</sup>	Percentage living in absolute poverty (%)	Distribution of the poor (%)
Rural	79.7	150,740	71.25	81.8
Urban <sup>2)</sup>	20.3	202,683	62.01	18.2
North <sup>3)</sup>	32.5	167,834	66.28	31.0
Center <sup>4)</sup>	42.6	141,990	73.81	45.3
South (including Maputo) <sup>5)</sup>	24.9	183,718	65.80	23.6
South (excluding Maputo)	18.8	161,036	71.67	19.4
National	100	160,780	69.37	100

Notes: 1) Local currency—meticaís

2) Urban areas consist of Maputo City, provincial capitals, and regional urban centers.

3) North comprises Cabo Delgado, Nampula, and Niassa provinces.

4) Center comprises Manica, Sofala, Tete, and Zambezia.

5) South comprises Gaza, Inhambane, and Maputo provinces.

Source: *Government of Mozambique*. (1999) p.27.

Table 4-2 Average consumption and estimates of poverty by province

Province	Percentage of the population (%)	Monthly average consumption (Mt)	Percentage living in absolute poverty (%)
Niassa	4.85	147,841	70.64
Cabo Delgado	8.16	194,448	57.40
Nampula	19.47	161,668	68.92
Zambezia	20.34	154,832	68.10
Tete	7.30	117,049	82.27
Manica	6.19	191,608	62.60
Sofala	8.77	97,906	87.92
Inhambane	7.06	128,219	82.60
Gaza	6.57	183,233	64.66
Maputo Province	5.14	177,774	65.60
Maputo City	6.14	253,102	47.84

Source: Ministry of Planning and Finance *et al.* (1998) p.98.

Table 4-3 Non-consumption-based poverty

Province	Percentage living in absolute poverty (%)	Male illiteracy rate	Female illiteracy rate	Infant malnutrition rate	Population with no access to safe water*	Infant mortality rate (number per 1,000 live births)
Niassa	70.64	44.8	83.8	48.2	96.0	134
Cabo Delgado	57.40	61.5	92.6	37.7	67.7	123
Nampula	68.92	47.8	84.7	37.7	86.6	216
Zambezia	68.10	47.3	81.6	62.8	94.3	129
Tete	82.27	46.4	70.3	42.4	84.0	160
Manica	62.60	36.6	78.9	47.7	80.5	91
Sofala	87.92	42.9	83.8	41.3	74.2	173
Inhambane	82.60	38.9	68.4	25.5	88.4	151
Gaza	64.66	35.3	66.1	38.9	70.4	135
Maputo Province	65.60	24.2	56.7	27.8	80.4	92
Maputo City	47.84	3.8	15.1	19.1	17.3	49
Rural	71.2	49.3	82.9	48.1	88.5	160
Urban	62.0	15.8	40.2	27.6	46.4	101

Table 4-3 Non-consumption-based poverty

Total	69.4	42.4	74.6	43.2	79.9	147
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Note: Population without access to piped water or community water taps.

Source: Ministry of Planning and Finance *et al.* (1998) p.148.

ies but 83% in the rural districts; 46.4% of the urban population does not have access to safe water, but this is 88.5% among the rural population; and the urban infant mortality rate of 101 per 1,000 live births contrasts with the rural rate of 160. The poverty rate differential between rural areas and cities was only about 10%, but from the above figures we can see that the state of poverty varies substantially depending on the aspect of poverty being examined.

In view of the broad range of poverty indicators, the policy approach to poverty can vary quite considerably according to the policy objectives and target area. The *First National Assessment* report is indeed a valuable and important reference document, and should be used widely in the design and implementation of development programs in Mozambique.

### 2-1-3 Aspects of poverty

Not all people in Mozambique, one of the world's poorest nations, are equally poor, and the current steady transition to a free economy is further widening the gap between the haves and have-nots. The most disadvantaged among Mozambique's poor are the socially vulnerable, including women, children, the elderly, returning refugees, demobilized soldiers, physically disabled people including victims of landmines, and workers forced to return because of South African mine closures.

First, I will discuss the problems faced by women, including limited property succession rights, domestic violence stemming from the traditional culture of male-domination, the dowry system (called *lobobo*) especially in rural areas, and a tradition of female subordination due to Mozambique's polygamous marriage system. In the southern regions, a wife can reportedly be deprived of her land inheritance rights after the death of her husband<sup>4</sup>. Although various surveys have shown that improving women's educational levels has a beneficial effect on children's education and on socioeconomic life in general, the female illiteracy rate in rural areas is still very high at about 83%. As can be seen in Table 4-2, the illit-

eracy rate varies from region to region, but to improve the situation amid Mozambique's deeply-rooted male-dominant culture requires policies and initiatives that give full consideration to the nation's sociological, cultural and anthropological foundations.

It is said that children are a reflection of social conditions, and the poor state of health care, sanitation, nutrition, water, and the living environment among Mozambique's poor is manifest in the high levels of infant malnutrition and the infant mortality rate shown at Table 4-3. Main causes of death in children under five are malaria, diarrhea-related conditions, acute respiratory infections, measles, and tetanus, so any measures to improve the state of children's health will have to tackle these five diseases comprehensively. Regarding education, the school enrollment rate among children aged 7-11 is higher in the cities than in rural areas, and the enrollment rate in cities is generally the same for boys and girls<sup>5</sup> except in the provinces of Niassa, Cabo Delgado, and Manica. In rural areas, where a high percentage of the population is poor, boys' education takes priority over girls', and the education gap is especially wide in the provinces of Niassa, Nampula, Zambezia, Manica and Sofala<sup>6</sup>. This trend is especially pronounced in the chasm between the male and female school enrollment rate among children aged 12-17. There is a considerable gap between girls and boys in educational opportunities in cities in Niassa, Cabo Delgado, Manica, Sofala, Inhambane, and Gaza, and in rural areas, boys are given much greater opportunities for education than girls are<sup>7</sup>. As in the case of women's issues, the male-dominant culture of Mozambique is a restrictive factor holding back women's education, so rectifying this inequity will demand a great deal of determination and perseverance.

The elderly were the group most affected by the civil war. Many lost livestock and other assets, and lost contact with their children, their main providers of social support, through family separation caused by the war or their children's moving to the cities<sup>8</sup>. While they are healthy, elderly men and women can support themselves by working

<sup>4</sup> Ministry of Planning and Finance *et al.* (1998)

<sup>5</sup> *ibid.*, p295.

<sup>6</sup> *ibid.*, p296.

<sup>7</sup> *ibid.*, p297-298.

the land, and collecting water and gathering wood, but when their health declines, they tend to be looked after by relatives or neighbors, but quite often that support is inadequate because the caregivers themselves are living in poverty.

Refugees began returning home in 1992, and the flow peaked in 1994. In mid-1996 the Mozambique office of the UNHCR (UN High Commissioner for Refugees) completed its refugee support operations, declaring that the exigency and emergency restoration phase had come to an end. Subsequent support operations were to be taken over by UNDP, WFP, and other UN organizations whose expertise is in mid- to long-term development. Out of a total population of 17 million, an estimated two million had sought refuge in other countries, and four million were internal refugees<sup>9</sup>, but their integration back into Mozambique society seems to be making steady progress. We can surmise an important factor in this is that every Mozambican in one way or another suffered hardship during the civil war, so there was a strong feeling of empathy with the plight of refugees as a shared experience. However, many refugees lost everything during the war and had to start from zero upon their return, so the degree of poverty among refugees is presumably higher than among non-refugees.

Demobilized soldiers generally tend to have lower educational levels, resort to violence to resolve problems, make the strongest demands on the government for compensation, and are having the most difficulty at social integration. Struggling to secure employment because of this, they are finding it almost impossible to break free from the vicious cycle of poverty. Long-term programs are essential to help them improve their educational levels, gain the necessary skills to resolve disputes peacefully, and through this, develop the means to become independent. Because they are victims of the civil war and are having difficulty in fitting back into society, the government needs to set up some form of social security system for them. This is an issue that the newly established Ministry for War Veterans' Affairs has to address.

Conditions for physically disabled people in Mozambique including landmine victims are very poor indeed. Landmine victims will be discussed in detail in the chap-

ter on landmines, but although government health policy provides artificial limbs for free, the realities of poverty are always present; for example, the government does not pay for travel from rural areas to provincial cities with orthopedic centers, so this denies many the opportunity to take advantage of this service. Even though the government has formulated policies to provide relief to the socially vulnerable, the foundations for delivering this relief are still quite weak, so it will need to introduce measures to tackle these deficiencies.

A steadily increasing number of workers are being forced to return to Mozambique because of mine closures in South Africa. Similar to demobilized soldiers, these returning workers tend to have lower levels of education, and place heavy demands on government services. They also have a high incidence of HIV/AIDS infection. On the other hand, they tend to be less prone to violence than demobilized soldiers, and with their networking and experience gained in South Africa, they are seen as having great potential for starting up and running profitable businesses in Mozambique.

#### 2-1-4 Aid strategies

##### (1) Activities by other donors

When implementing the *Poverty Reduction Strategy* mentioned earlier, the government will have to establish new partnerships with the donor community, and prepare detailed expenditure and implementation plans for each sector. Here I will examine this through an example of a project implemented with another donor. The *Poverty Reduction Strategy* states that the government's National Institute of Rural Development (INDER)<sup>10</sup> is the implementing body, but since 1995 UNDP in partnership with INDER has been implementing poverty alleviation projects incorporating the formation of community structures and systems, capacity building at all levels, technical transfer, the improvement of the small-scale socioeconomic infrastructure through repair or construction of branch roads, primary schools, health centers, and wells, and funding of small community-based enterprises in the Angonia, Macanga and Tsangano districts of Tete province<sup>11</sup>. Poverty reduction through improvements to

<sup>8</sup> *ibid.*, p329.

<sup>9</sup> Waterhouse, R. (1996)p14.

<sup>10</sup> The National Institute of Rural Development was integrated into the Ministry of Agriculture and Rural Development following government reorganization after the December 1999 elections.

<sup>11</sup> UNDP (1994).



rural living standards is an objective of many individual projects by USAID and other donors. One example of this is the Third Labour-based Roads Program<sup>12</sup>, in which local residents repair branch roads crucial for regional movement with funding from UNDP, Sweden, WFP, DfID, SCD (Swiss Agency for Development and Cooperation), and the EU. The idea behind this program is to create jobs by having local residents take part in road repair, and at the same time, instill in them a sense of ownership over the roads in their areas with a view to turning the management and maintenance of their roads over to them. Regarding human capital investment, many donors are providing assistance in education, health and water supply in their respective priority provinces. Examples of concentrated aid in specific regions include the Netherlands in Nampula (primary education, basic health, and water and sanitation), Denmark in Tete (health, education, and water), and Germany in Sofala and Marica (regional development, elementary education, and health)<sup>13</sup>.

Thus substantial programs are already being implemented over a broad range of sectors in line with the Poverty Reduction Strategy. Among these, the Third Roads Program in particular seems to have tremendous potential. However, while this program may work as long as funding is available, whether local residents will continue their management and maintenance once external funds dry up remains to be seen. This is one aspect that will have to be watched closely.

## (2) Direction of Japanese assistance

In examining the future direction of assistance, Japan must look at effective forms of aid that correspond to the state and degree of poverty in the target area. As in the case of South Africa, in Mozambique even affluent provinces have their share of people living in poverty, and in some regions there is a vast gap between rich and poor, so consideration must be given to the actual circumstance, and from this, aid may have to be directed not just to the poor provinces, but also to poor districts in the wealthier provinces.

Specifically, it is expected that in the short term, investment will be concentrated in the relatively developed southern provinces until Mozambique builds up its economic capacity. This is an important approach for

enabling development to spread and attract more development, and sufficient Japanese ODA should be provided to facilitate this. At the same time, though, Japan must also focus on the poor in the southern provinces within a broader framework of more humanitarian development, and provide assistance to help alleviate their plight. An efficient method of selecting target areas for aid is to narrow down potential areas using provincial and district socioeconomic indicators. For this I would propose in the long term comprehensive development projects aimed at the systematic and continuous alleviation of poverty through project offices set up as centers for cooperation in central and northern provinces, such as Zambezia, where the population is concentrated and poverty is most serious. The key to reducing poverty is improved basic socioeconomic living conditions through enhanced primary and adult education, better access to primary health care (PHC), safe water and sanitary conditions, improved productivity of small-scale farming and fishing operations, and effective transportation and distribution means, and this requires integrated projects implemented not just in single sectors but across several sectors. An example of this could be the mid- to long-term implementation of development projects limited to specific areas in the central and northern provinces. The demobilized soldiers' resettlement area development plan and the Tete Province Angonia comprehensive development plan, which are currently implemented by development studies, have the potential to incorporate poverty reduction as a component, so this aspect should be examined. Examples of concentrated aid by other donors in specific areas were given above, and when selecting model areas for projects, Japan would find it worthwhile to have a close look at their experiences.

## 2-2 Water supply and environmental sanitation<sup>14</sup>

### 2-2-1 Water supply

#### (1) Outline

Along with schools and health facilities, wells and community water taps were the favored sites for planting landmines and attack by anti-government guerillas during the civil war. This continues to pose a significant obstacle in the daily lives of people even now after the transition

<sup>12</sup> UNDP (1996).

<sup>13</sup> *ibid.*

<sup>14</sup> JICA internal report.

from emergency restoration to long-term development. Although the damage caused by landmines has declined in terms of the number of incidents, large tracts of land still remain littered with these devices, creating the necessity for sweeps and disposal when repairing or reconstructing water supply facilities. This situation has characterized Mozambique as a nation with an extremely poor rate of water provision and appalling services. No more than 30% of the entire population enjoys a safe, uninterrupted supply of water, putting the country in the category of having one of the worst levels of health and sanitation in the world. The disparity in levels of access to water between metropolitan and rural areas is also large: 70% of the urban population have access to individual household water supply and community water taps, 28% have access to wells, and 1.4% have access to surface water, compared to 8.1%, 54.3% and 36.5%, respectively, for rural areas, illustrating that the majority of people in these areas only have access to wells and surface water<sup>15</sup>.

Major donors in the area of water supply are UNICEF, the World Bank, and the SDC (Swiss Agency for Development and Cooperation), which has consistently provided assistance throughout the course of water development in Mozambique. The scope of their assistance is broad, starting with the extension of regional water supply in the province of Cabo Delgado in 1979 (approximately 1,400 wells were constructed), followed by the establishment of a water technician training center in 1985, organizational reform of the National Directorate of Water (DNA) and human resources development in 1989, and support for improving urban water supplies (Lichinga City in Niassa province) in 1996.

Following the same path of Structural Adjustment currently underway in Mozambique under the direction of the IMF and the World Bank, the water supply sector is undergoing reform based on the National Water Policy (NWP) announced in 1995. Responding to this, since 1998 the World Bank has been implementing the National Water Development I (NWD-I) and National Water Development II (NWD-II), which can be regarded as the Sector Investment Programs, with funding support from NDF (Norway), CIDA, SDC, and SIDA. NWP prescribes the large-scale reduction of government assistance and aims to: 1) ensure the profitability of water supply through the user pays principle, 2) decentralize

service functions to regional authorities, and 3) transfer these functions to the private sector. Relying on subsidies from the government under a system of unified water administration and management, however, the National Directorate of Water has continued to provide inadequate services, so it would be virtually impossible to push ahead with sudden independence as proposed in NWP because of concerns that services will deteriorate even further. In this light, the government formulated the Rural Water Transition Plan in 1997 for rural water supplies to further the Policy, providing for the establishment of an implementation committee in DNA, design of a capacity building program by the Rural Water Supply Agency (DAR-PRONAR) under DNA, and establishment of specific and detailed implementation objectives.

## (2) Present situations and problems in rural water supply

In 1992, the year in which the peace treaty was concluded, Mozambique was in an abysmal state with a mere 17% of people in rural villages having access to a safe source of water. Since peace was established, UNHCR, UNICEF and many other donors have provided assistance for digging new deep wells, and by 1997 more than 2,000 new wells had been established. In addition to assistance for the construction of 150 wells during 1996 - 1997 in the southern district of Gaza province by Grant Aid projects of the Gaza Province Village Water Supply Plan, Japan has also transferred technology to the implementing agencies. The result of these efforts has seen access to water supplies in Gaza province improve from the former level of 30.8% prior to implementation to 55% as of 1998. According to 1998 DNA statistics, rural water supply access rates were 57% in Cabo Delgado, 26% in Niassa, 16% in Nampula, 14% in Zambezia, 26% in Tete, 48% in Manica, 43% in Sofala, 57% in Inhambane, 55% in Gaza and 70% in Maputo province. The rates are very low for Zambezia and Nampula provinces, with only slightly better figures for Niassa and Tete. Therefore, DNA is also compiling a proposal to direct more funding into areas with relatively low water supply access rates. In fact, when conducting a project formulation study in water supply area in May 1999, the implementing agency in Mozambique put forward the Zambezia Province Village Water Supply Plan as the highest priority project.

While maintenance work on water supply facilities has

<sup>15</sup> Ministry of Health (1997).

been conducted by the Rural Water Supply and Sanitation Departments, those duties are now being transferred to community based management (CBM) as part of the reforms in the national water policy. Specifically, this involves the establishment of rural water supply and works departments (EPAR) in each province in accordance with the decentralization and privatization policies. Consideration is being given to and trials are being conducted on combining people's education committees (PEC) with the EPAR and having them conduct CBM and sanitation education for local residents previously undertaken by the Rural Water Supply and Sanitation Departments. The Mozambican government has been considering privatizing the EPAR, and also has plans to make the PEC independently profitable. PECs were established in 1986 within the Rural Water Supply and Sanitation Departments in order to promote the education of residents and education regarding sanitation. They particularly encourage participation by the community and women in all processes from selecting sites for water supply facilities to maintenance after the facilities are in place with the goal of conducting education activities on water sanitation for communities. PECs are indispensable in implementing CBM and sanitation education, and their efficacy has also been proven in the Grant Aid Project of Gaza Province Village Water Supply Development Plan. Although PECs will play a pivotal role in realizing the user pays principle in the National Water Policy, because it remains uncertain as to whether PEC activities can actually be conducted on an independent profitable basis, verification will be required. An alternative would be to once again incorporate PEC into Rural Water Supply and Sanitation Departments in provincial offices of the Ministry of Public Works and Housing, rather than EPAR, and ensure their activities by supporting them with public funds.

The CBM and sanitation education method was introduced into Mozambique around 1995. The process is for the staff in charge of CBM and sanitation education (PEC) to first explain the fundamentals of the concept to the heads of the target districts. This is followed by the organization of water management committees and selection of committee members, who are then educated regarding CBM and sanitation. Committee members then proceed to educate villagers about the concept, villagers themselves determine water rates, and manage water supply facilities together with the water management committees. Even though no more than just a small

proportion of the regions nationwide have been educated because the education incorporates the construction of new wells, and despite some problems arising from the fact that the economic status of many villages were poor, or only had irregular incomes at best, the educational programs have born fruit in those districts where they have been conducted. However, many villages still using old wells without constructing new ones are adhering to traditional practices and not requiring payment for water use. Efforts will, therefore, need to be made to encompass these in future reforms. Being accustomed to the policy at the time of the socialist system of "the nation shall provide water which is essential for living", the Mozambican people are being required to make a 180 degree adjustment to paying water rates and to CBM, and patient persuasion and some time will required to achieve this.

### (3) Present situations and problems of urban water supply

The majority of municipal water pipes in Mozambique were put in place during the Portuguese colonial period before independence. These are now beset with problems in all metropolitan centers, such as aging facilities and unsuitable operations and maintenance systems due to the downturn in construction, and lack of maintenance during the post-independence civil war. In addition, the existing infrastructure is not able to cope with the growing metropolitan population, presenting a major problem. Ten provincial capitals, including Maputo, plus 23 other urban centers including large settlements with government offices, are stipulated as areas with metropolitan waterworks, and these are under the management of the Urban Water Supply Department (DASU) of the DNA. The biggest issue with these metropolitan water systems is in the state of basic water source facilities and accompanying water retrieval and conveyance equipment, and both qualitative and quantitative improvement is essential in all urban centers.

As major aid donors for urban water supplies, the World Bank been providing assistance to preparations for the privatization of five urban waterworks in Maputo, Beira, Quelimane, Pemba and Nampula, and the African Development Bank has been supporting the development of facilities in Xai-Xai, Chokwe, Inhambane and Massise. The general trend is, however, that regional towns which fall between the classification of village and urban center receive little aid.

## 2-2-2 Environmental sanitation

### (1) Outline

The major causes of death in infants under five years of age in Mozambique are malaria (18%), diarrhea-related conditions (13%), acute respiratory infection (8%) and measles and tetanus (3%); but 20% of children under five are thought to be suffering from diarrhea-related conditions. While diarrhea-related conditions are prevalent across the country, the risk of cholera and dysentery has increased in urban centers particularly in recent years. The major causes of diarrhea-related conditions, cholera and dysentery are the use of uncontrolled, unsanitary water sources, a shortage of appropriate sanitation facilities, lavatories, storage of food, handling of water and the lack of basic knowledge and practices in relation to hygiene.

Although no development policy or strategies have been formulated in Mozambique for the sanitation sector, the National Water Policy does propose the future creation of a sanitation and environmental master plan regulating specific plans for the improvement of sanitation and the environment. This master plan envisages the following, focusing on major urban centers and the peri-urban districts.

- 1) Investment for the improvement of urban sanitation and environment would be conducted through the repair of existing sewage and sanitation infrastructure, with users required to pay a set fee for operations and maintenance to be collected by the city authorities.
- 2) Presently, 100,000 households in peri-urban districts have improved toilets; this will be elevated to 200,000 households in 47 urban centers by 2000.
- 3) Regions themselves will determine policies and formulate plans for improving rural sanitation, and the necessary technical guidance and equipment and material will be provided as appropriate.
- 4) A sanitation dissemination team will be established in the Water Supply and Sanitation Departments in the provincial offices of the Ministry for Public Works and Housing by 2000 to examine and monitor sanitation and environment improvement methods.

### (2) Measures and problems to improve sanitation and related issues

With innumerable people including returning internal and external refugees flooding into metropolitan areas looking for better opportunities after the civil war, exist-

ing water supply and sanitation facilities, in a decrepit state due to the war, have been struggling to supply services to meet increasing demand. This, in turn, has caused serious problems to the health and environment of residents. Simple toilets with hygienic concrete slabs, introduced in the mid-1980s, were constructed in peri-urban centers. This was combined with the implementation of the National Low Cost Sanitation Programme (PNSBC) which aimed to disseminate sanitation facilities to each household at a low cost.

One of the problems with the PNSBC was that many households were unable to bear the cost of construction, dampening the dissemination rate. Learning from past attempts of the PNSBC, the government formulated the National Low Cost Rural and Peri-urban Sanitation Strategy in 1998 with assistance from UNICEF and other major donors in an effort to keep construction costs down. As a part of this, measures such as the use of provincial sanitation teams, established under national policy, are considered imperative.

## 2-2-3 Japanese assistance in water and sanitation

As mentioned earlier, water and sanitation problems are still significant in Mozambique, and there are expectations that Japan will provide long-term assistance in this area. The most effective form of assistance is considered to be technical cooperation, including the concurrent dispatch of water supply experts and acceptance of trainees from Mozambique. When proceeding with these projects, Japan must provide facilities maintenance and management training for local residents, and incorporate a sanitation component in project surveys. Japan should also refer to the achievements of UNICEF, SDC and other donors, while keeping an eye what is happening regarding SIPs.

## 2-3 Landmines

### 2-3-1 Outline

It is said that when the peace treaty was signed in 1992 there were 2-3 million landmines in Mozambique, but in 1994 the Halo Trust put this figure at one million. When the survey for the demining and landmine victims support formulation study was carried out in July 1999, it was clear that many donors including the U.K., Germany and Norway believed there were about 500,000 landmines remaining, and argued that since landmines would cease

to be an emergency issue in 5-7 years, demining could be scaled down. Although the reliability of the initial estimate is questionable in the light of demining outcomes to date, the number is certainly declining as peace continues to take root. As the number of landmines decrease, so too does the number of landmine incidents. Data from the Information Center of the National Institute of Demining (IND) show that there were 127 landmine incidents (six provinces only) in 1996, 69 (eight provinces only) in 1997, and 83 (all ten provinces) in 1998, with fatality rates of 45%, 33% and 24% respectively, indicating an annual decline in the number of incidents and the fatality rate. Mozambique reportedly has 30,000 physically disabled people, of whom 29% are amputee victims of landmines.

These days the landmine focus seems to be shifting from emergency demining to long-term and continuous landmine clearance, consolidated rural development after clearance, and assistance for and rehabilitation of landmine victims. I discuss this in detail later, but demining for restoration of the key elements of the socioeconomic infrastructure (major trunk roads, railways, power lines, substations, airports, dams, bridges, communication centers, etc.) as the first stage has generally been completed, and the second stage, demining for the recovery of regional roads linked to regional urban centers, rural roads, and other elements of the regional infrastructure is currently underway. The second stage is the initial investment stage crucial for narrowing north-south and regional disparity and the gap between rich and poor, and must be well planned, covering areas identified as a high priority in the Mozambican government's national demining strategy.

In the next section I examine government organizations tackling the landmine issue, demining, support for landmine victims, and landmine risk education.

### 2-3-2 Tackling landmine issues

#### (1) Government organizations

The Mozambican government has set the following eight objectives in its national demining strategy<sup>16</sup>.

- (1) Establishment of national capacity building
- (2) Formation of mechanisms to meet community

needs, and promotion of community participation and the national, regional, provincial, and district levels.

- (3) Promotion of an integrated approach to socioeconomic reconstruction and development.
- (4) Promotion of technological development.
- (5) Collection, confirmation, sorting and public release of landmine information.
- (6) Coordination of landmine risk education.
- (7) Coordination of support for landmine victims.
- (8) Support for mine clearance verification work.

The following examines government organizations such as National Institute of Demining, Ministry of Health, and Ministry of Social Welfare<sup>17</sup> dealing with the landmine problem based on this strategy.

#### 1) The National Institute of Demining (IND)

The National Demining Commission (CND) was replaced by the National Institute of Demining (IND) under Cabinet resolution on June 10, 1999<sup>18</sup>. CND needed the approval of seven ministries and agencies for all decisions, whereas IND can independently proceed with demining plans and surveys, collect and manage data, implement public relations, negotiate with donors and other aid agencies, and formulate budgets, and has the authority to make decisions on mine clearance as an independent government organization, with the exception of important matters that require Cabinet resolution.

The role of IND is to manage, coordinate and promote landmine operations at the national level, and promote cooperation with the international community. IND will address the following as its operational strategy based on the national demining strategy mentioned above.

- (1) Establish a national coordination capacity and a technical working group.
- (2) Respond to the IND staff salary issue in relation to human resources development.
- (3) Reliance on foreign experts providing short- to mid-term technical advice.
- (4) Develop Mozambique's demining capacity under ADP (covered later).
- (5) Develop information network systems between regional operators and local and regional authori-

<sup>16</sup> Verissimo A., (2000), pp.2-3.

<sup>17</sup> The name of the Ministry of Social Welfare was changed to the Ministry of Women's and Social Affairs with the formation of the new administration in January 2000.

<sup>18</sup> Verissimo A., (2000)p2

- ties.
- ( 6 ) Formulate national landmine policies and action plans.
  - ( 7 ) As an experimental station for hi-tech equipment and materials, promote the use of new technologies in Mozambique's heavily mined areas.
  - ( 8 ) Establish a landmine database using the Information Management System for Mine Activities ( IMSMA ) , incorporate this into all relevant landmine information systems, and start using IMSMA from December 2000.
  - ( 9 ) Develop a national landmine risk education strategy.
  - ( 10 ) Integrate landmine risk education, support for landmine victims, and human rights protection activities that support the International Committee to Ban Landmines ( ICBL ) .
  - ( 11 ) Establish clearance verification units at IND headquarters and at the regional level.

Mine clearance in Mozambique has been carried out through UN demining projects and by NGOs and private demining companies. IND does not have a demining function, and its policy is that it will not be directly involved in mine clearance in the future; rather it will contract out this work. IND's duties include coordinating and supervising demining operations by the private sector and NGOs, but to date it has not been fulfilling these duties adequately. While IND is supposed to play a pivotal coordination role in all facets of landmine operations, its focus is centered on demining and mine risk education. The Ministry of Health and Ministry of Women's and Social Affairs currently have a virtual monopoly on support for landmine victims, but it would be more effective in the future to draw up all landmine action plans under an integrated national strategy, and have ministries and agencies implement their landmine-related programs in line with these plans. Disappointed at the deficiencies in CND's demining strategy and management capabilities and the lack of operational funds, Norway and other donors were hesitant about continually providing funds for technical cooperation with CND, but IND has been operating for over a year now, and its future movements are being watched closely. Many view IND's landmine data management and its capacity to coordinate the activities of all parties concerned with landmine clearance ( UN, NGOs, and the private sector ) as a crucial test for the organization. Other issues include increasing IND's

budget, securing the necessary personnel, and its organizational structure.

## 2 ) The Medical Service Department in the Health Bureau of the Ministry of Health

The Medical Service Department in the Health Bureau of the Ministry of Health has the role of providing assistance to landmine victims, from emergency treatment to their rehabilitation, including emergency treatment immediately after the accident, inpatient care such as treating trauma, surgery, and orthopedic surgery, and outpatient care such as psychological treatment, counseling, physiotherapy, construction of prostheses and orthoses, registration of landmine victims, and transportation of victims to hospitals. Rehabilitation-related facilities falling under the jurisdiction of the Ministry of Health include physiotherapy centers and orthopedic centers. There are physiotherapy centers in 56 hospitals throughout Mozambique providing services such as muscle strengthening, remedial treatment, and training victims to use crutches and other walking aids. Located in nine areas throughout the country except Gaza and Manica provinces, orthopedic centers make and provide free prostheses and orthoses to disabled people. Orthopedic centers were established and run by Handicap International and POWER, which are the international NGOs, after the end of the civil war, but in 1997 their operation and management were handed over to the Ministry of Health. The following is a simple flow of the rehabilitation process.

- ( 1 ) Disabled landmine victims begin post-treatment rehabilitation. The rehabilitation program differs according to the symptoms and degree of disability, while the period of rehabilitation and the types of orthoses used also vary from case to case.
- ( 2 ) After their operation, amputees begin rehabilitation at the physiotherapy centers mentioned above.
- ( 3 ) Three or four months after being discharged from hospital, patients can if they wish go to a nearby orthopedic center or provincial health center and apply for a prosthesis or orthosis. For several weeks until the prosthesis is properly fitted, the patient makes regular visits to the orthopedic center for walking training and to have the prosthesis adjusted.
- ( 4 ) Prostheses need to be changed every 3-5 years for adults, and every 6-12 months for growing children.

Although support for landmine victims as described above is an important responsibility, the Ministry of Health gives greater priority to measures against STD/HIV/AIDS, PHC, maternal and infant health, measures against malaria, and infectious diseases prevention programs, so there is a need to ascertain where landmine victim support will be positioned in the strategic plan currently being formulated by the Ministry of Health. Because responsibility for this support has only relatively recently passed from international NGOs to the Ministry, there is an ongoing need to foster personnel who can run the Ministry's orthopedic and rehabilitation centers. Local health posts or centers (primary health care facilities) are staffed only by nurses or health assistants, so when a landmine accident claims a victim in a remote area, not only is there a very real risk of infection or even death from incorrect treatment, if the victim's injuries are too severe for local treatment, securing the transportation means to shift the victim to secondary or tertiary medical facilities is quite difficult. Therefore, first aid skills at primary health care facilities need to be improved, and an effective emergency transportation system between primary, secondary and tertiary medical facilities needs to be established. As for medium- and long-term care, use of these centers remains quite low (30-35% of capacity) because people are not aware of the prosthetic and orthotic services provided by orthopedic centers, and also because many people who would otherwise use these services cannot afford the cost of traveling from rural areas to the provincial centers where they are located. It is therefore essential for the government to run public information campaigns about these services, and ensure that all people who need these services have ready access to them.

### 3 ) The Ministry of Women's and Social Affairs

The Ministry of Women's and Social Affairs has responsibility for the long-term care and rehabilitation of all physically disabled people, but since it only became independent from the Ministry of Health in 1994, it lacks personnel, organizational capabilities, and resources.

Its roles in landmine victim support are transporting patients to hospital, running transit centers, vocational training to facilitate victims' return to society, providing micro-credit, and promoting profit-earning activities. Transit centers are accommodation facilities that provide food and bedding for patients receiving treatment at orthopedic centers. Essentially, the government should

provide transport between transit centers, orthopedic centers and patients' homes, but because this is impossible due to shortages of vehicles, patients have to walk to the center or pay for their own transport. Landmine victims who are part of the rural poor struggle to raise the money to pay for transport to their local transit center or orthopedic center, so in reality, they have no access to these services. Landmine victims in the armed services are the responsibility of the Ministry of Defense.

Since the Ministry of Women's and Social Affairs is not as yet functioning entirely smoothly, there is a need to train staff and build up the organizational structure as a matter of priority. Moreover, a creative approach is necessary for securing means of transporting landmine victims in rural areas to transit centers and orthopedic centers.

## ( 2 ) Demining

### 1 ) Stages of demining

There are three stages in demining. The first stage is the initial emergency clearance aimed at restoring the main elements of the socioeconomic infrastructure, and covers primarily major trunk roads, railways, power transmission lines, substations, ports and harbors, airports, dams, bridges, communication centers, etc. Demining began in Mozambique in 1993, so clearance connected with restoring the socioeconomic infrastructure has almost been completed, except for sections of power transmission lines and the Sena section of railroad track.

The second stage starts at the completion of the first stage and when access to rural areas becomes possible, and involves the demining of regional roads linked to regional urban centers, rural roads, and other elements of the regional infrastructure, and, depending on the region, farmland, rivers, irrigation facilities, reservoirs and other elements of the infrastructure essential for rural livelihoods. Mozambique is currently at the second stage, and this is expected to be completed in four or five years.

The third stage is the clearance of mines scattered on wasteland, and will begin when the number of remaining mines falls below 200,000 and the mined areas have decreased. The entire demining operation in Mozambique will take 20-30 years. A sharp decline in foreign aid is expected once the third stage begins, so ongoing work backed by ownership will be necessary, and in this respect, the actions and policies of the Mozambican gov-

ernment will attract considerable attention.

## 2) Humanitarian demining

Normal demining operations are referred to as humanitarian demining, and are carried out using demining machinery, mine dogs, and human effort. UN regulations require a demining precision of at least 99.6%. There are various survey methods for the complete removal of mines and unexploded ordnance ( UXO ), but the following describes normal survey details and demining operations by the UN and NGOs in Mozambique.

- Level one surveys:  
Level one surveys are initial surveys for mines and UXO, and involve interviewing local residents and soldiers, examining the local topography, the local social infrastructure and survey base points, and preparing demining maps.
- Level two surveys:  
Level two surveys are detailed surveys on the location of mines and UXO, and involve securing search routes, drawing up mine location maps using GPS and GIS, on-site marking of mines and judging the extent of minefields, setting demining coordinates, estimating mine and UXO density, and formulating a clearance and disposal plan.
- Level three surveys:  
Level three surveys include mine clearance and disposal, building mine clearance camps, and maintaining demining and disposal records.

A level one survey is currently being implemented with Canadian assistance, and this is expected to enable the collation and analysis of much more accurate national landmine data. In the future, a level two survey should be conducted on a national base, a national demining plan should be formulated, and demining operations should be carried out in accordance with the set priorities.

## 3) Assistance from donors

The Canadian International Demining Center ( CIDC ) is in the process of executing a national level one survey funded by the Canadian CIDA. The survey began in September 1999 and has been funded for about one year. The survey utilizes GIS, and CIDC is aiming to compile 1:50,000 scale digital minefield maps of the data obtained from the survey within two years after the survey has been completed. These data are planned to be entered into a database at the IND Computer Center.

Germany has dispatched mine clearance experts to the UNADP, is providing \$US1 million a year to the UNDP, is clearing mines along a railway line near the Maputo/ Zimbabwe border using equipment manufactured by the German Krohn company, and is conducting mine risk education under an Integrated Humanitarian Demining for Development project in the central provinces.

The U.K. has been funding the demining operations of the British-based specialist demining NGO HALO Trust in the three northern provinces of Zambezia, Nampula, and Cabo Delgado since 1994.

Norway has been supporting demining operations through Norwegian People's Aid ( NPA ) in Tete, Manica and Sofala provinces since 1993, is providing funds to Handicap International ( HI ) for mine risk education, and provided funds to CND for technical cooperation for three years until 1999.

The U.S. has provided demining-related assistance totaling \$US27 million since 1993, and in 1999 provided vehicles, equipment, facilities and training to support the demining operations of the Mozambican military. The U.S. intends to continue humanitarian demining training for Mozambican military demining personnel, and will provide funding support for UNADP and demining NGOs. Compared to other donors, the U.S. has adopted a fairly characteristic cooperative structure regarding its assistance to the Mozambican Army.

## 4) Demining operators

The UN Accelerated Demining Program ( UNADP ) is a UN demining organization established under the UNDP in 1994 and operated by Mozambicans. After training by the U.K. demining company British Defense Services, ADP personnel began demining operations in 1995 with training and technical guidance from German, New Zealand, Australian and Gurkha military personnel. ADP has a staff of 475, including five specialists, military advisers sent by donor countries, Mozambican demining personnel organized into ten demining units, management staff, and a mine detection dog squad, and operates in the southern provinces of Maputo, Gaza, and Inhambane. From 1994 to June 1999 ADP cleared 400 ha of minefields, 12,227 mines ( AP and AT mines ), and 5,617 UXO. As well as demining operations, ADP also carries out minefield surveys, demining personnel training, and clearance verification work after areas have been cleared of mines.

The main demining NGOs in Mozambique are NPA



and HALO Trust. NPA began its work in Mozambique in March 1993 centering on mine dog training, and today it has 470 demining personnel and 34 mine dogs operating mainly in the central region ( Tete, Manica and Sofala ). By October 1998 it had cleared an area of 1,000 ha, 287 km of road, 13,198 mines and 4,097 UXO. HALO Trust started operating in Mozambique at the end of 1993 with an initial minefield survey, and now has about 200 personnel engaged in mine clearance on major rural roads in the four northern provinces of Cabo Delgado, Niassa, Nampula and Zambezia. As of September 1998 HALO had cleared an area of 321 ha, 257 km of road, 5,020 mines and 10,878 UXO.

In addition to NGOs, demining companies are also achieving important outcomes in Mozambique.

- Mechem:  
South Africa's largest commercial clearance company, Mechem is conducting efficient demining operations using mine survey teams, mine dogs, and large-scale mine clearance machinery, and up to March 1998, had cleared 165 ha, 6,379 mines and 18 UXO.
- Mine-Tech:  
Mine-Tech is a Zimbabwe-based company employing mainly demobilized Zimbabwean soldiers, and is contracted by the German government to clear mines in the central provinces, and conduct rural development and mine risk education programs under the Integrated Humanitarian Demining for Development project. With 400 deminers, the company had, as of October 1998, cleared 10,600 ha, 1,873 km of roads, 1,031 mines and 20 UXO.

### ( 3 ) Assistance for mine victims

Here I will touch on mine victim support NGOs and the various kinds of support from donors.

The main NGOs providing assistance to mine victims are Handicap International ( HI ), POWER, ADEMO, and ADEMIMO.

Operating in Mozambique since 1990, the HI had by 1995 established and was running six orthopedic centers in the cities of Lichinga, Pemba, Nampula, Tete, Vilanculos, and Inhambane. Since then, the Ministry of Health has assumed the operation and management of these centers with technical assistance from HI advisers, though major consumables are still procured and supplied by HI. The Norwegian government is the main source of HI's funding.

The U.K.-based POWER arrived in Mozambique in

1995, taking over four orthopedic centers established by ICRC. Like HI, POWER has handed over these centers to the Ministry of Health, and now provides them with materials for the manufacture of prostheses and other supplies. It also provides advisers to the Ministry. Its major donors are UNICEF and USAID.

ADEMO ( Association of Handicapped Mozambicans ), established in 1989, has offices in all provincial capitals and 40 districts, and has 62,500 members. Its main activities include enhancing education for disabled children, setting up health posts specifically for members, and establishing a wheelchair manufacturing center in Maputo.

ADEMIMO ( Association of Handicapped Military Mozambicans ) was founded in 1992, and has a membership of 10,000, ten provincial offices, and about 90 local offices. Its main activities include support for physical and psychological rehabilitation of members, vocational training for disabled people, mine risk education, prostheses manufacturing projects, and micro-credit.

### ( 4 ) Mine risk education

CND/IND began mine risk education in cooperation with the Mozambican Red Cross, HI, and the Ministry of Education in 1995. The effectiveness of this education has contributed to an annual decline in the number of mine incidents and casualties since 1996. At present education is being provided throughout Mozambique involving about 80 groups. Specifically, IND sends coordinators to three locations to provide local volunteers with three days of training, including first aid, and increase local residents' mine awareness by distributing posters and performing plays at schools and community centers. Picture books, puzzles and the like are used to raise mine awareness among children, and because the number of mine incidents involving children has been on an upward trend over the past few years, IND will need to continue its grass-roots mine risk education campaigns for quite some time.

Major donors in this area are UNICEF, Norway and Canada. UNICEF provides funds and technical cooperation to IND and HI based on sectoral coordination by the government, Norway provides funds to HI and local NGOs, and Canada provides funds to Canadian and local NGOs in Nampula province.

### 2-3-3 Potential for Japanese assistance

At the First Meeting of Convention on the Prohibition

of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction held in Maputo in May 1999, State Secretary for Foreign Affairs Keizo Takemi declared that Japan would strengthen landmine-related assistance in Mozambique, and in this light, Japan needs to examine specific support measures. Assistance by Japan to date includes the dispatch of a study team in June 1997 to examine the possibility of cooperation in landmine-related projects, and provision of grass-roots grant aid to the Halo-Trust. As for cooperation through the UN, in fiscal 1999 Japan provided \$1 million in emergency grants to the UNDP for its Massingir District Mine Clearance Project, and in fiscal 2000 provided \$600,000 to the UNDP for ADP operations.

Other areas of potential cooperation are discussed below.

#### ( 1 ) Support for implementing organizations

IND lacks both personnel and experience, so there is a need to train and foster competent people and build up its organizational structure. While it is too early at this stage to provide direct funding support, capacity building through the UNDP and providing technical cooperation to IND are possible areas for Japanese support. As for technical cooperation, considering that within its operational strategy, IND has yet to achieve any substantial outcomes on item 1 )to develop information network systems between regional operators and local and regional authorities, and item 2 )to establish a landmine database using IMSMA, it would be worthwhile for Japan to examine the possibility of cooperation in these two areas while keeping an eye on developments among other donors.

There is an ongoing need in the Ministry of Health to foster and train people who can work in such fields as orthopedics and rehabilitation, so it would also be effective for Japan to look into accepting trainees in these fields, and extend support through HI, POWER, and other NGOs that are already providing technical cooperation.

The Ministry of Women's and Social Affairs is seeking assistance from Japan in human resources development and institution building. While the roles and functions of this Ministry are important, it has trouble attracting the necessary funds, so providing technical cooperation by way of local training programs and small-

scale funding assistance through grass-roots grant aid is also worth examining.

#### ( 2 ) Assistance for Demining

As mentioned above, Japan has provided funds for the UNADP this year, and should continue to do so taking into account IND's demining strategy. Japan should also examine the possibility of cooperation for NGO activities, keeping in mind that the major international NGOs are already reasonably well funded, and that many have reached the stage where they are considering handing their work over to local authorities and organizations. Japan should prepare an assistance policy that takes into account international NGOs' withdrawal plans and plans for handing over their operations to Mozambican demining organizations, Mozambique's national policies concerning ongoing ownership-based demining, and the roles of IND and the Mozambican Ministry of Defense ( demining by the Mozambican Army ) .

#### ( 3 ) Assistance for mine victims

HI has submitted a request to the Japanese embassy in Mozambique for grass-roots grant aid for procuring consumables and equipment used in orthopedic centers, and cooperation in this area is considered to be effective. It would also be worthwhile for Japan to examine the possibility of grass-roots grants to POWER to assist in its plans for building orthopedic centers. POWER has already secured partial funding for this project from UNICEF and USAID, but it is still insufficient, so it is asking for Japan's help to make up the shortfall.

### 3. Actors to Rectify Social Disparities

#### 3-1 Informal safety net

The long history in southern Mozambique of men leaving home to find work, and the protracted civil war following independence and the community resettlements resulting from this have destroyed traditional mutual help systems, led to greater emphasis on cash-based transactions and the mutual mistrust accompanying this, and placed great pressure on community relations both inside and outside the family<sup>19</sup>. Does the traditional mutual help system that serves as an informal safety net in fact exist in Mozambique today? According to the *First National Assessment for Poverty*, labor exchanges, exchanging

<sup>19</sup> MPF *et al.* ( 1998 )p326.

labor for food or money (*ganho-ganho*), exchanging labor for livestock, the informal credit system and the like are still functioning in urban and rural areas despite the upheavals mentioned above, though this is more prevalent in the south than it is in the north<sup>20</sup>. The most common form of mutual aid in the urban areas requires some money exchange as a part of the transaction, whereas in the rural areas, payment is more often made with labor or food. Among the poor, labor exchanges are common between friends and relatives, and poor people rather than the more affluent tend to take part in the traditional mutual support system of exchanging labor for food, goods and money<sup>21</sup>. Moreover, gender analysis indicates that a higher percentage of women take part in mutual support activities than men.

Mozambique is periodically struck by natural disasters, and UN and NGO emergency disaster assistance can be regarded as an element of the informal safety net. The sight of international NGOs that rushed into Mozambique to provide relief to victims of the February and March 2000 floods is still fresh in our minds. In the past many international and local NGOs were active during the turmoil of the civil war, but external aid fell sharply once the emergency came to an end in 1996<sup>22</sup>, and Mozambique has now entered a period in which international and local NGOs are aiming at mid- to long-term development. One example of creative informal safety net activities is the work being done by Help Age International in Tete province. Help Age is carrying out a unique financing project that encourages community support for the elderly and other socially vulnerable people. Specifically, Help Age lends money to healthy young people for profit-making activities, and interest due on the loans is paid into a social activity fund used for helping elderly people in rural areas<sup>23</sup>.

Religious organizations are generally seen as important actors that encourage mutual help, and especially in areas under Islamic influence, mosques become a center

for social activities and Friday almsgiving for the needy and socially vulnerable<sup>24</sup>. In rural communities physically disabled people are cared for by the direct family, and orphans are looked after by relatives, but in the cities, neighbor will sometimes take in orphaned children<sup>25</sup>. Elderly men can support themselves while they are healthy by working in the fields, while elderly women can collect water and gather wood, but when their health declines, they tend to be looked after by relatives or neighbors<sup>26</sup>. These are all typical examples of the informal safety net.

### 3-2 Formal safety net

The Office for Assistance to the Vulnerable Population (GAPVU) has been providing relief assistance for the urban poor since 1990 under the supervision of the National Institute for Social Action (INAS), the implementation arm of the Ministry of Women's and Social Affairs<sup>27</sup>. This program is the only formal safety net for Mozambique's poor, and was conceived to alleviate the adverse effect the Structural Adjustment Program set out by the World Bank and the IMF had on national welfare<sup>28</sup>. Since its inception, the program has been funded by profits from the sale of food aid goods, and by 1995 it had expanded to such an extent that 80,000 people were receiving assistance. Under much stricter controls, this number had been cut to 30,000 by the end of 1997<sup>29</sup>. It is considered that the method of controlling the program and eligibility for assistance need to be reviewed, and the relevant ministries and agencies need to get together and discuss the appropriate level of assistance and a sustaining funding mechanism<sup>30</sup>.

The National Integrated Programme for Social Action, Employment, and Youth :1998-2001 is another experimental attempt in which several related ministries are involved<sup>31</sup>.

This Programme was formulated by the Government of Mozambique with financial and technical supports by

<sup>20</sup> *ibid.*, p327.

<sup>21</sup> *ibid.*

<sup>22</sup> *ibid.*, p328

<sup>23</sup> *ibid.*, p332

<sup>24</sup> *ibid.*, p329

<sup>25</sup> *ibid.*

<sup>26</sup> *ibid.*

<sup>27</sup> *ibid.*, p363

<sup>28</sup> *ibid.*, p364

<sup>29</sup> *ibid.*, p365

<sup>30</sup> *ibid.*, p389

<sup>31</sup> Government of Mozambique ( 1997 )

UNDP as a policy paper to adjust and manage the plan and guideline among the National Commission for Social Reintegration, the Ministry of Social Welfare, the Ministry of Labour and the Ministry of Culture, Youth and Sports.

The main beneficiaries of the Programme are as follows; women ( especially female headed-household, physically disabled, women who are raising orphans, and victims of domestic violence, etc. ), children ( orphans, drug-addicted or delinquent youth, physically disabled children, malnourished children, sexual-abused children, war-victims, etc. ), disabled children ( the head of household, the unemployed, and isolated or drug-abused disabled, etc. ), the old ( isolated, diseased and the poor ) , the diseased, prisoners ( youth prisoners and mothers ) .

The long-term objective of the Programme is to provide for those who are in the most serious situation opportunities to economic and social resources to fight against poverty. The Programme are divided into three components such as social welfare, employment and youth action. Total cost for the Programme are estimated to 37 mil.dollars for four years.

Some examples for social development are as follows; capacity and institution building for female organizations, small-scale economic supports for 6,000 female-headed households, economic, social and moral supports for 6,000 poor women, re-integration of orphans and street children into the families and communities, rehabilitation projects for 600 children with war experiences or psychologically damaged by war, promotion of human rights to poor families and communities, awareness raising of the importance of families and communities for children's growth, improvement of nutritious situation for 15,000 children per year, food security for 3,000 physically disabled, publishing ID card for the physically disabled, securing food security and social supports for the 45,000 poor old per year, rehabilitation and reintegration of 500 drug-addicted, and institution building for the Ministry of Social Welfare.

Some examples for employment components are as follows; re-integration of 20,000 people into small-scale economic activities, re-integration of 50,000 people into formal vocational training, re-integration of 3,000 disabled people into income creation activities, construction of social equipments by the community, and institutional building for the Ministry of Labour.

Some examples for youth components are as follows; re-organization of youth related agencies at both national and provincial level, decentralization of decision making process and human building for those activities.

The National Institute of Disaster Management ( INGC ) , which is under the Ministry of Foreign Affairs and Cooperation, has the role of coordinating the government's emergency disaster support among the Ministries of Health, Public Works and Housing, Agriculture and Rural Development, and other relevant ministries and agencies during a disaster, and also controls and distributes emergency supplies.

### 3-3 NGOs<sup>32</sup>

About 600 local NGOs and 250 international NGOs are said to be operating in Mozambique. Many international NGOs arrived in Mozambique during the emergency aid phase at the end of the civil war, and pulled out once the emergency phase had come to an end. Most local NGOs were formed during the emergency aid and reconstruction support period after the civil war, and have now adapted themselves to function in the current mid- to long-term development stage. State functions during the transition to the reconstruction period after the civil war are quite frail, and often NGOs will step in and deliver services that the government cannot cover. NGO activities can be broadly classified into the following three types.

- ( 1 ) Work in line with national strategies and priorities in conjunction with state bodies such as ministries, agencies, and local governments.
- ( 2 ) Work in concert with government strategic plans and local governments, but decide on project timing, implementation methods and expenditure independent of government.
- ( 3 ) Work independently, viewing communities, civic organizations, target groups and donors as partners, without necessarily conforming to government development strategies and priorities.

In Mozambique peace is taking hold, national reconstruction is underway, and decentralization is being pushed, and in this light, it is thought that the government will encourage the type of NGO activities at ( 1 ) .

Current realities in Mozambique are that although the country is now stable and the government is seeking to

<sup>32</sup> Mainly sourced from the Sector Survey of Local and International NGOs in Mozambique attached as an Annex II of this report.

strengthen state functions, it relies heavily on foreign aid, wages account for a major part of the social sector budget, and there are not enough skilled and trained people to meet the needs of the government's decentralization aims. In this light, there are clearly limits to Mozambique's services delivery capabilities, so the government is expected to follow the policy line of supplementing state functions and services with NGOs' activities. In this case, most NGO activities will be in line with the national development plan, therefore Japan can examine cooperation in the form of development assistance partner projects. Japan's assistance in Mozambique is expected to increase, and to supplement the government's capabilities to deliver services and raise project sustainability through participatory development, Japan should also give positive thought to cooperation with NGOs through ODA schemes such as grass-roots grant aid and development welfare assistance.

Issues facing local NGOs in Mozambique include local peoples' participation in developing activities, improving management/operation and accounting processes, training leaders and successors, averting NGOs from forming into individual private enterprises, ensuring transparency and fairness in activities, ensuring financial sustainability, respecting legal obligations such as employees' income tax, and cooperation with other NGOs for integrated social development. For international NGOs, issues include local peoples' participation in activities, delegating authority to Mozambican staff, localization and sustainability of activities, aligning activities with national development plans, and respecting legal obligations such as employees' income tax.

Next, I will discuss NGOs working in social development on a sectoral basis.

#### ( 1 ) Education

As stated separately in Chapter 8, the Ministry of Education is currently executing the Education Sector Strategic Plan, and various NGOs are operating within this framework. The Association for Development of People to People ( ADPP ) is the largest local NGO specializing in education. Started in 1982, ADPP is implementing primary school teacher training projects in Maputo, Nampula, and Sofala with its own funds raised from selling second-hand clothes, and is also providing education for street children and orphans in Maputo City.

The local NGO Kulima ( Organization for Integrated

Social and Economic Development ) began operating in 1989 and provides education and vocational training for children in Maputo City's poor districts. The Portuguese NGO OIKOS is carrying out vocational training projects at daycare centers for street children in the outskirts of Maputo City, and vocational and technical training projects for workers on Mozambique Island in Nampula province.

## ( 2 ) Health

Many international NGOs such as the MSF Family and ICRC began providing emergency medical care in Mozambique around the end of the civil war, but as the emergency situation eased, NGOs shifted to the reconstruction phase in which they rebuilt, repaired and established primary and secondary medical care facilities, and began programs aimed at restoring EPI and PHC. From 1996 they moved to the mid- to long-term development phase, but following the extensive flooding in the southern provinces in February and March 2000, many local and international NGOs again had to provide emergency medical care assistance. By June 2000, the disaster-stricken south had reentered the reconstruction phase.

The Ministry of Health's control over NGOs is quite stringent, and some international NGOs that did not follow the policy line set by the Ministry have been banned from operating in Mozambique. As the government pushes ahead with the health care SWAP, which is described in detail in a separate chapter on health, it is expected that NGO activities will have to adjust to and fit in with the SWAP process. STD and AIDS initiatives are a priority in the health sector, especially in the light of ministry reports indicating that there are as many as 700 new cases of HIV infection a day centering on Mozambique's three international development corridors ( Maputo, Beira, and Nacala ). Below, I will discuss the activities of NGOs that are focusing on STD/AIDS countermeasures and reproductive health.

MONASO ( Mozambican Network of AIDS Service Organizations ) is an umbrella organization for NGOs active in the STD/HIV/AIDS field, and as well as conducting educational and preventive activities, it publishes a regular magazine on AIDS. Members include not just NGOs, but government and donor representatives as well. Pathfinder is a U.S. NGO operating through local NGOs ( Salama and AMODEFA ) in Maputo, Zambezia, Nampula and Niassa provinces, where the health indicators are extremely low, with the aim of improving access to, quality of, and local participation in, and raising demand for reproductive health services.

Established in 1989, AMODEFA ( Mozambican Association for the Development of the Family ), a local NGO with offices in eight provinces, is providing community-based services that serve as a national model, promoting reproductive health in the workplace, and developing educational programs targeting Mozambique's youth with the aim of expanding development and welfare

through sex and reproductive health education for family and community.

The Mozambique Red Cross, started in 1981, specialized in emergency disaster assistance, and implemented wide-ranging health and basic infrastructure programs for resettling returning refugees during the post-civil war reconstruction period, but these days it has narrowed the scale and scope of its activities, and is now focusing on work connected with AIDS prevention and social integration. During the floods, the Mozambique Red Cross came into its own, and placed first aid volunteers in refuges and evacuation centers throughout the disaster-stricken area.

The American NGO PSI ( People's Service International ) started in Mozambique in 1994, and has been conducting a social marketing project for condoms throughout Mozambique as one element in the national anti-STD/AIDS program. Started in 1997, Kindlimuka is a local NGO based in Maputo City that provides support for people infected with HIV/AIDS. It provides medical and emotional support for HIV/AIDS sufferers, promotes their productive activities ( tailoring, poultry farming, etc. ) and provides outdoor counseling in an effort to prevent their being isolated or stigmatized, and also runs education and prevention discussion groups, lectures, seminars, and video screenings.

## ( 3 ) Integrated rural development

Most NGOs have a fairly good expertise in integrated rural development. It is an approach in which rural development projects are designed and implemented not just for a specific sector, but with a consolidated view that encompasses a broad range of issues relating to a specific region. In many cases, NGO programs combine agriculture, extension services, profit-making activities through livestock production, food security, farm produce marketing, health, water, and sanitation.

- The Association of Friends of Mozambique:

The Association of Friends of Mozambique Island is a local NGO that provides small-scale assistance programs for well and reservoir repair and maintenance, piped water supply, and craft and cultural groups, and implements integrated health, educational and agricultural programs aimed at the development of Mozambique Island in Nampula province. It started operating in 1989, and encourages local residents to play an active role in its programs.

- PROGRESSO:

Started in 1992, PROGRESSO is a local NGO that

provides credit to farmers, strengthens the organizational capacity of target communities, and implements health, educational and agricultural programs in Cabo Delgado and Niassa provinces with the aim of creating opportunities for rural women and children to improve their living conditions.

- **PROLIDE:**  
PROLIDE ( Association Progress, Freedom and Development ) is a local NGO that builds schools and bolsters fishermen's associations in the Chinde and Moppeia districts in Zambezia, and builds or establishes schools, health centers, wells, and water tanks in the Moamba district in Maputo Province under the principle of local peoples' participation with the aim developing the social infrastructure as a means of building and strengthening local communities and creating job opportunities for local youth. PROLIDE also encourages the organization of farmers, and runs land title campaigns in Moamba through the local agricultural NGO ORAM.

Major international NGOs that implement integrated rural development programs include Ibis ( Denmark; active in Zambezia and Niassa provinces since 1976 ) , Action Aid ( U.K.; active in Zambezia and Maputo provinces since 1987 ) , and LWF ( international network; operating in Gaza, Tete, Inhambane and Maputo provinces, and Beira since 1977 ) .

#### 4 ) Human rights etc.

Lobbying and human rights protection are relatively new fields for NGOs in Mozambique. NGO lobby groups in Mozambique today cover such a diverse range of issues as foreign debt cancellation, socioeconomic justice relating to internal and global distribution of wealth, human rights, domestic violence, protection of children's rights, sexual violence, employment opportunities, land guarantee, environmental degradation, rational use and management of natural resources, and access to education and information.

Most of these human rights activities are brought into Mozambique by external entities around the termination period of civil war. Mozambican people had nothing to do with those issues such as democratization, human rights protection for women and land tenure rights until the termination of civil war from their colonial era. As to the democratization, local government election held in June 1998 was resulted in low turnout because of the citi-

zen's disappointment toward the election such as nonconfidence for the government, distrust for the election system, insufficient consensus for the local election and the disillusion by RENAMO's boycott<sup>33</sup>. In the presidential and congress election held in Dec. 1999, dishonest act by the ruling party was revealed. There would be a long way to the entire democratization in Mozambique. The new concepts such as human rights protection for women and land tenure rights would take much time to root in Mozambique. Some typical examples of NGOs are as follows;

- **The Mozambican Debt Group:**  
The Mozambican Debt Group was formed in 1997 by about 60 NGOs, organizations and church groups with the aim of lobbying to reduce or cancel Mozambique's foreign debt and alleviate the impact of structural adjustment programs. Its major activities include networking, publicizing the state of foreign debt, holding seminars, and lobbying multilateral and bilateral aid agencies.
- **ASSOMUDE:**  
ASSOMUDE ( Women's Association for Democracy ) is a local NGO formed in 1996 with an aim to promote democracy that brings real benefits to women by advancing education, extending credit for women's business activities and providing counseling on a small scale in urban and rural areas of Maputo and Zambezia provinces as a means of preventing domestic violence, child prostitution, and violation of human rights.
- **DHD – Human Rights and Development:**  
DHD ( Human Rights and Development ) is a local NGO active since 1996 in providing training for human rights activities, legal aid and counseling, and carrying out public relations campaigns with the aim of protecting human rights in Mozambique. Training of 2,000 police officers and prison staff by DHD has reportedly led to significant improvements in the level of human rights violations at prisons and police stations.
- **AMMCJ:**  
AMMCJ ( Mozambican Association for Women Lawyers ) is a local NGO established in 1993 to debate through women's groups amendments to the constitution, penal regulations, and land title laws in Maputo, Beira and Nampula cities as a means of pro-

<sup>33</sup> Serra, C. ( 1999 ) .

- moting gender equality and eliminating discrimination against women, and also to provide counseling aimed at strengthening local communities.
- Women, Law and Development:  
Established in 1991, the local NGO Muleide ( Women, Law and Development ) works in the areas of education, dissemination of the law, training and health, publishes an information bulletin, and conducts surveys through networks with women living in poverty and grass-roots women's groups in Maputo, Cabo Delgado and Sofala provinces to promote human rights, and especially the rights of women.
  - CCM:  
The Christian Council of Mozambique is a local NGO established in 1948 with the aim of unifying all church denominations to bring about justice, peace and reconciliation. Its programs include the "Weapons to Hoes" ( TAE ) project aimed at exchanging weapons for agricultural tools to reduce the potential for violence. In its first stage, the project has already collected more than 55,000 weapons in Maputo, Gaza, Inhambane and Zambezia provinces, and in the second stage, the project will be expanded to Sofala, Manica, and Nampula provinces<sup>34</sup>. CCM also runs community development seminars, establishes orphanages, daycare centers and women's counseling centers, conducts public education and small-scale business management training for women, and carries out campaigns seeking the cancellation of Mozambique's foreign debt. It worked hard to help bring the warring Renamo and Frelimo parties together at peace talks, and was a key player in the 1992 Rome peace accord.
  - Livaningo:  
While not yet officially registered, Livaningo is an environmental group formed with the aim of raising national awareness about environmental issues. It has organized a campaign against the incineration of Mozambique's obsolete pesticides, and takes part in steering committees for the control of pesticides and toxic waste.
  - Help Age International:  
Help Age International is a British-based NGO that started operating in Mozambique in 1987 with the aim of helping disadvantaged older people. It builds nursing homes and operates water supply programs in the outskirts of Maputo and in Tete province, provides

extension services for irrigation schemes, credit management and conference management training for community leaders, and training for nurses, builds eye clinics, and provides necessary equipment and material.

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<sup>34</sup> AIM Report, 19 June, 2000.



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## Chapter 5. Agriculture and Rural Development

Koichi IKEGAMI ( Kinki University )

### 1. Trends in Agricultural Production

#### 1-1 The recovery of agricultural production

The civil war which erupted after independence proved to be a destructive blow for domestic agricultural production, which fell by more than 30% during the mid-80s. The per capita decline in production was even larger, dropping in the 1980s to around half of that immediately following independence ( Figure 5-1 ). Even in the 1990s, the rate of increase in food production up until 1995 was actually -0.6%, translating to -4.5% on a per capita basis. The rate of grain self-sufficiency also reached no more than 46% from 1992-1994<sup>1</sup>, forcing the country into a situation where starvation could not be avoided without international aids.

The major causes of insufficient food supplies have been the exodus of farmers and the devastation of agricultural and forestry areas. A large proportion of the refugees, which were estimated to number 1.7 million at their peak, were farmers, signifying a major loss of farm labor and the ruin of agricultural and forestry land. In addition to this, the landmines that were planted in such areas still obstruct the expansion of farming areas even now, and are one factor restricting the furtherance of agricultural

production and rural areas.

Since the establishment of a comprehensive peace treaty in 1992, and after the general election in 1994, however, the democratization process has been accelerated, resulting in an astounding level of production recovery in terms of export crops and food crops ( Table 5-1 )

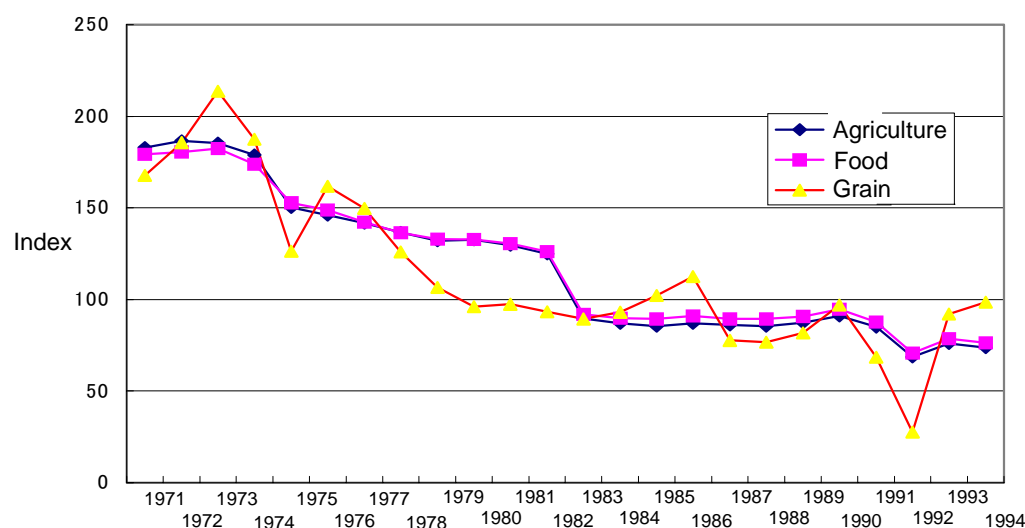
Table 5-1 Production of Main Agricultural Goods in the Last Five Years

( Unit: thousand tons )

item \ year	1994	1995	1996	1997	1998
Export Produce					
Cashew nuts	29.4	33.4	50.5	43.3	49.4
Cotton	49.5	51.0	31.5	74.0	80.0
Sugar cane	234.0	313.2	22.3	331.0	384.2
Copra	28.8	44.4	1.6	33.1	36.0
Tea	1.5	1.0	n/a	1.5	1.5
Sisal	24.0	24.0	n/a	24.0	24.0
Domestic Use Produce					
Maize	146.0	173.0	212.4	264.0	270.2
Rice	29.0	14.8	39.0	44.0	26.7
Beans	16.0	31.2	33.3	40.7	45.7
Vegetables	44.1	30.5	n.a.	39.0	50.5

Source: EIU ( 1999b ) p. 53.

Figure 5-1 Trends in Agricultural Production in Mozambique ( per capita, index, 1979-1981 = 100 )



Note: Indexes are calculated at 1979-1981 data as 100.

Source: FAO ( various years ) .

<sup>1</sup> Fujitsu Learning Media ( 1998 ) .

Of the food crops, there has been a particularly dramatic rise in maize, with the 1998 figure around double that of the 1994 figure. Self-sufficiency in maize became possible as of 1996, with a small volume even being exported and doubling by 1997. Food aids, accordingly, fell to 1.6 million tones in 1996 ( from 6.49 million tons in 1991 ), and grain imports also dropped from the 1993/1994 figure of 680,000 tons to 215,000 tons in 1998/1999. A gradual increase in the import of high grade items of rice and wheat is evident, however.

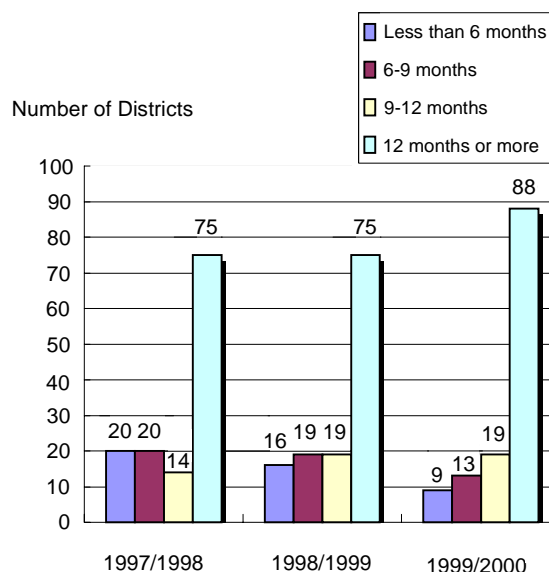
### 1-2 The remained meagerness of food production

The aforementioned recent trends in food production make the crisis situation of just a few years ago seem almost unreal. Located as it is in the southern part of Africa, Mozambique has a high level of potential productive capability with its relative abundance of natural resources including rivers and rainfall.

Nonetheless, the poor level of food production is not completely a thing of the past. The increase in food production has been due to greater areas of land being available, the rise in the agricultural labor force with the return of refugees and, most of all, the abundance of rain. It has not, however, arisen from improved productivity or stabilizing technical reform. It would therefore not pay to be complacent in thinking that positive trends will necessarily continue.

The WFP has four classifications of the stability of food supply based on the number of months the staple crop produced in a given district can sustain the population of that district<sup>2</sup>. Specifically, less than 6 months is 'Very Poor', 6-9 months is 'Poor', 9-12 months is 'Self-sufficient' and 12 months or more is 'Surplus'. Assessment of the period from 1997/1998 to 1999/2000 based on these classifications ( Figure 5-2 ) shows a steady reduction in the number of districts classified as Very Poor, suggesting progress in raising the level of agricultural production. There is still no mistaking that assuring a stable food supply remains an major issue, however, as less than 70% of districts recorded a Surplus.

Figure 5-2 Food Self-sufficiency Shown as Number of Districts



Source: WFP ( various )

Securing a stable supply of food is influenced not only by the supply of staple foods, but also by the state of production of livestock and fisheries, hunting and gathering and the possibility of purchasing with cash. As larger livestock cannot be increased in an instant, and because there is a monopoly on the corporate operation of poultry farming, however, these are not able to contribute to the stabilization of the food situation of small-scale farmers. Rural areas also presently have a very limited ability to make purchases in cash. For these reasons, regional food shortage problems re-emerge as soon as there is even a minor drought or flood.

The first problem at such times is the restricted storage capacity of rural villages, and even if warehouses are available, slipshod management practices and inconvenient locations make them of no use to farmers. The second issue is the severing of food distribution networks. While it is difficult to imagine nationwide crop failure or disasters given the natural conditions and nature of the land in Mozambique, local food shortages can occur. Here, distribution networks to adjust the balance between surpluses and shortages in order to alleviate the poor level of food production is vital, but transportation network between the north and south of Mozambique is virtually non-existent.

A sufficient awareness of the instability of production, the low harvest volumes and drought and flood, plus their

<sup>2</sup> The minimum required intake per person per day is assumed to be 1,700 Kcal.

threat, must be brought to any considerations on how to secure food supplies.

### 1–3 The potential of forestry and fisheries

The forestry and fisheries industries of Mozambique have considerable potential. The 19 million ha of productive forests in Mozambique are a source of high-quality tropical hardwood. In 1970 the volume of trees felled was 9.07 million m<sup>3</sup>, a figure which doubled to 18.42 million m<sup>3</sup> in 1996. Of this, lumber production is still low at just 1.1 million m<sup>3</sup>, with the majority being used as firewood and charcoal ( in 1996 )<sup>3</sup>.

Even so, the export of lumber has increased at a rapid pace since the end of the civil war, earning \$11 million in foreign currency in 1998, although some would say this figure has been under-estimated<sup>4</sup>. And while there is plenty of room for commercial logging, the full-blown expansion of this is sometimes inclined to induce over-development. Ifloma, previously a state-run enterprise, used to manage eucalyptus plantations, but there is concern that its privatization will mean the priority will turn to the pursuit of profits. An Anglo-American Group, Mondi Forests South Africa is also believed to have applied to run a eucalyptus plantation, illustrating the start of a transition to private sector based forest development.

While such activities will probably act in a positive manner macro-economically, there is a danger they may clash with the general needs of small-scale farmers, and the possibility that development will outstrip the regenerative capability of the forests. Illegal logging by neighboring nations is also an unrelenting problem on the northern border, and constitutes a factor in the dwindling of forests. Conflicts about forests such as these require some kind of regulatory policy, or regular monitoring of re-forestation at the very least.

Turning now to Mozambique's fishing industry, we see that it accounts for a significant proportion of the national economy. The National Program of Fishery ( PROAP ) seeks to improve the trade balance through the export of marine products, as well as improve diet and nutrition. In fact, Mozambique relies quite heavily on marine products for foreign earnings, particularly prawns, which are the biggest earner with exports valued at

around \$80 million in 1997.

Although estimates put Mozambique's sustainable annual haul at 500,000 tons, not even half of that is actually being caught, so there seems to still be sufficient room for development in light of the resource base and the amount actually taken. The tendency in recent years, however, is towards lower volumes of fish, while prawns are recording stable figures rather than increases, and a downturn is seen in lobsters ( Table 5-2 ). It is debatable whether this is attributed to low technology levels or a weakening of the resource base. Either way, as far as prawns are concerned, the stage has been reached where regeneration is tenuous if nothing is done.

Table 5–2 Production Volumes of Major Marine Produce

( Unit: tons )

year items	1994	1995	1996	1997	1998
Fish	13,489	12,620	10,229	10,200	6,173
Prawns	6,645	7,520	7,857	8,680	8,456
Lobster	307	283	276	207	227

Source: EIU ( 1999b )p. 54.

This led to the formulation of a new strategic plan by the Ministry of Agriculture and Fisheries, which clearly places the priority on increasing the local value-added component by: 1 ) promoting the local processing of prawns to increase employment, and 2 ) prioritizing distribution of prawn quotas to local enterprises with coastal-processing facilities. As hauls are diminishing due to the over-fishing of prawns, it is also anticipated that the cost of fishing licenses will rise and the fishing season will be shortened<sup>5</sup>.

Since coastal marine industries will be expected to contribute to regional economic promotion, the sustainability of those resource bases is vital. In this area, fishing activities by the traditional net fishing method provide effective suggestions. In northern coastal areas, men have undertaken off-shore fishing in wooden boats, while women have fished using drag nets from the shore. The introduction of modern fishing nets, however, has prompted greater competitiveness and given rise to problems with storing catches<sup>6</sup>. Women also undertake rice

<sup>3</sup> Fujitsu Learning Media ( 1999 ) .

<sup>4</sup> EIU ( 1999a ) p. 15.

<sup>5</sup> *ibid.*, p. 15.

<sup>6</sup> Waterhouse, R. ( 1996 )p. 37.

cultivation for half of the year. This overlapping of agriculture and fishing not only allows the effective distribution of labor and stability in everyday living, but also contributes to the regeneration of marine resources.

#### 1-4 The position of agriculture

Mozambique is a typical nation of small farmers; more than half the farming population relies on agriculture, forestry and fishing as their major source of income, regardless of what that level might be. Naturally, they are also indispensable as a source of food to survive. In addition to the significance in personal economics, agriculture, forestry and fisheries hold an extremely large position in the national economy, with around 80% of the population involved in these industries, and their production value accounting for 25-30 % of GDP. Of even more significance is that agricultural, forestry and fisheries products make up around 70% of export value, contributing enormously to non-aid foreign currency income.

At present, however, these industries only produce materials of low added value. While this is obviously related to lagging industrialization, conversely, it also highlights the possibility of forming locally-based industries, such as agriculture, forestry, fisheries and their processing, and a food industry. Because the domestic market for agricultural, forestry and fisheries produce is only small in Mozambique, it is necessary to form locally-based industries in order to expand that market. Creating and strengthening links between these industries and locally-based industries will be one of the key factors in the nationwide development of rural areas.

Another important point which should not be forgotten is that agriculture, forestry and fisheries are the basis for social stability and diversity.

## 2. Trends in Agricultural Policy

### 2-1 The concept and direction of PROAGRI

Following independence, Mozambique aimed for Soviet-style agricultural development with large-scale state-run farms and communal farming by small-scale farmers. Various regulations governed not just produc-

tion, but all processes from pricing and distribution through to consumption. This attempt, however, diminished small-scale farmers' desire to produce, and invited inefficiency in public distribution companies. The turning point which changed these aberrations was when the irrationality of the state-run farm system was publicly recognized at the 4<sup>th</sup> Frelimo Party Congress. After this, the Economic Recovery Programme (PRE) and the Economic and Social Recovery Programme (PRES) were introduced, adding impetus to the liberalization of the domestic market. Consideration of market mechanisms, though limited, came to be incorporated into pricing policies, and price controls were completely removed from 22 items in 1993. Then in 1998/1999, the minimum price system and reference price system was abolished for all goods apart from cotton<sup>7</sup>. State-run farms and national enterprises then proceeded to be privatized. Liberalization of trade has also progressed steadily, with the export tariff on raw cashew nuts to be abolished under the PRE in 2000<sup>8</sup>.

The current agricultural policy follows a path of greater liberalization and emphasis on the private sector, and places a high priority on market incentives and the development of small-scale farmers<sup>9</sup>. This national strategy for agricultural development propounds the National Agricultural Development Program (PROAGRI - also known as the Agricultural Sector Investment Program). PROAGRI can be defined as an intervention plan, or public expenditure plan, for the agricultural sector through public investment<sup>10</sup>. The present target term is from 1999 to 2003, and the basic objectives are the alleviation of poverty, food security, the creation of employment, and the improvement of the trade balance. The following are the eight main components of the program<sup>11</sup>.

- (1) Institutional development—Striving for institutional modernization and the fostering of human resources. Particular emphasis is placed on analyzing the functions of the main actors in agricultural administration, the Ministry of Agriculture and Fisheries, provincial governments and regional governments, and the redefinition of roles.

<sup>7</sup> World Bank (1998) p. 9.

<sup>8</sup> FAO (1997), pp. 103-106.

<sup>9</sup> The enforced minimum producer price system that remained until the end was abolished in 1997. Although this system was enacted to shore up the income of small-scale farmers, the strength of purchasers meant that it was actually came to be no more than the maximum price or simply a reference price.

<sup>10</sup> UNDP (1998) p. 53.

<sup>11</sup> Ministry of Agriculture and Fisheries (1998a) (1998b).

- (2) Support of crop production—The goal is to increase the production of grains from 7.15 million tons to 7.81 million tons through agricultural input materials, early weather information, disease and pest prevention systems, and post-harvest processing and storage facilities.
- (3) Dissemination—The dissemination network is to be broadened nationwide through cooperation with the private sector, unions and NGOs.
- (4) Agricultural research—A Natural Research Coordination Council (NARC) will be formed to be at the center of technological research in each agricultural ecosystems.
- (5) Livestock production—Basic materials will be provided, livestock production infrastructure developed and veterinary services provided.
- (6) Forests and wildlife—Tourism will be promoted along with the strengthening of formulation capabilities for conservation policies, and also securing the use of forests by local communities.
- (7) Management of agricultural land—Land titles will be granted to guarantee land use rights of small-scale farmers.
- (8) Irrigation—Irrigation projects will be reviewed to achieve the decentralization and automation of large irrigation systems.

As PROAGRI has just got underway, there are no results on which evaluation can be based. It is significant, however, that not only is it a public investment plan which clearly states a total investment over 5 years estimated to be more than \$200 million, but also that it is structured such that the Mozambican government's wishes have been respected as evidenced by donor cooperation, including the common basket of aid funding, and that it will contribute to the strengthening of the ownership of the program by the government. The trends under PROAGRI should be followed in considering Mozambique's agriculture and support for it.

## 2-2 Agricultural land policy

Of Mozambique's 80 million ha of territory, 18 million ha is suitable for cultivation. Although land demand is high near rivers, trunk roads and towns, the overall chance of obtaining land is high. Deregulation is proceeding on many fronts in Mozambique, but this does not extend to land, which most lands are still state-owned.

Ownership of land is recognized, nonetheless, and the general practice is for it to be allocated by traditional chiefs in the customary order.

This system arguably functions efficiently when society is stable and there is sufficient land to be allocated. Due to the abundance of land in Mozambique, it is not generally too difficult to obtain land. This does not mean, however, that there are no areas in which there is a tendency towards land shortages. An example of this is the area to the south of the Sabi River, where the poor quality of the land is leading to shortages in Maputo, Gaza and Inhambane provinces. The issue of land distribution in these areas could be resolved if technology were able to be brought in which would improve the fertility of the soil.

The issues at the moment is therefore securing and stabilizing land titles. In 1987 a new provision was added to the Land Act aimed at protecting small-scale farmers, allowing for automatic recognition of their rights to their traditionally cultivated land, and granting them rights to them to obtain land title certificates. This has not, however, borne fruit. The PROAGRI master paper has only an extremely poor registration system for land title applications; for example, in Zambezia province even though land titles applied for by individual farmers and companies have been authorized, they amount to a mere 20% of the area of the province<sup>12</sup>.

Three points at issue here would be the familiarity with the practice of allocating common land, office application form processing capabilities, and infringement of the rights of the illiterate and socially vulnerable. Mention has already been made of the first point of the allocation of jointly held lands, and this makes it difficult to become accustomed to the allocation of land on an individual basis. This is also difficult from a technical perspective, with individual interests also coming into play regarding the delineation of boundaries and allocation to individuals. The division of other land such as farming land, grazing land, and land for logging firewood could also be a problem.

Even if the first problem was resolved and application documents were submitted, there is no guarantee that these would be swiftly and properly processed. This led to the December 1998 approval of regulations for farming villages based on the 1997 Land Act in which the proper implementation and strengthening of this process was

<sup>12</sup> Ministry of Agriculture and Fisheries, (1998a) p, 18.

positioned as a matter of high priority. A committee spanning a variety of government ministries and agencies and headed by the Prime Minister was formed to achieve the intent of the policy, commencing activities with the aim of improving office processing capabilities at the provincial level. Also scheduled is the formulation by January 2000 of a processing plan to reduce the number of unprocessed land title application forms<sup>13</sup>.

The biggest issue, however, is the third problem. It is of no relevance how much the Land Act purports to uphold the traditional rights of small-scale farmers to access land if the very people involved are not aware of this fact, or, even if they are aware of it, they may not necessarily have the required know-how to proceed with the application. As this Land Act recognizes the involvement of traditional authority, there also remains the risk that women and other socially vulnerable people will be treated disadvantageously. Moreover, there have been cases in which land purchases with private sector capital and the like have resulted in the small-scale farmers who previously cultivated the land being evicted. This is why the minimum literacy education to secure land title rights needs to be implemented, as does a public relations campaign to ensure knowledge of the system<sup>14</sup>.

### 2-3 Farmers associations and farming cooperatives

Small-scale farmers in Mozambique generally have very little socioeconomic power, and while the need for solidarity is strong, individual farming cooperatives are almost powerless. Despite this, it is unlikely that the stage has been reached where this activity will be enthusiastically implemented, although no definitive statements can be made as no information has been obtained about the government's policy regarding agricultural cooperatives. Neither is there mention of cooperatives in PROAGRI.

Against this circumstances, the National Union of Peasants (UNAC) has been conducting union activities across the nation since it was formed in 1992. UNAC is a non-profit private sector corporation based on private law and is a grass-roots types farmers' federation. While farmers may become members as individuals, people generally go through local farmers' associations, co-oper-

atives or agricultural unions. As of August 1999, there were about 50,000 members of UNAC<sup>15</sup>, including four provincial agricultural unions, 60 district agricultural unions and 900-1000 single cooperatives and unions.

According to its regulations, the objectives of the UNAC are: (1) the development and strengthening of farmers' associations and cooperative activities; (2) the development, promotion and dissemination of production technology which will boost economic profits; (3) training to achieve better skills for union members; (4) the promotion of agricultural product processing and the commercialization of livestock and agricultural products; (5) safeguarding the socio-economic concerns of farmers; (6) provision of consulting and inspection services covering a broad spectrum of areas; and (7) promotion of joint activities with other organizations with similar objectives<sup>16</sup>. Special efforts are being directed toward raising the income of and empowering farmers through technical training and improved management skills, and advocacy of land ownership rights and the rights of female farmers. As is evident from these objectives, the UNAC does not function as a production cooperation, a trading agency or a financing or credit agency, but is rather characterized as an organization which lobbies farmer education organizations and government and donor organizations that basically disseminate commercial farming technology and develop farmers' capabilities.

It is not only the short period in existence of the cooperatives that restricts their field of activity. They are also heavily swayed by the circumstances in which agriculture and farmers find themselves. Women make up a considerable proportion of the members of the UNAC, as much as 95% in Maputo, for example, and some 80% of members are illiterate. This suggests that the first priority for the UNAC is to boost the skills of its members in reading, writing and arithmetic. Educating farmers will resolve the disadvantages faced in registering land titles and when selling agricultural produce.

Even for basic activities such as educating farmers, or perhaps precisely due to the nature of the activity, enhancement of the activity resources is necessary, including high caliber staff and financing. As far as

<sup>13</sup> World Bank (1999) pp. 8-9.

<sup>14</sup> Land Campaign and other NGOs are actively pushing ahead with this project. A variety of campaign materials have been prepared in more than a dozen languages for Land Campaign.

<sup>15</sup> From interviews at UNAC headquarters (August 16, 1999).

<sup>16</sup> UNAC (1993).

financing is concerned, the lack of their own economic business sphere means basic reliance on aid from donors such as Oxfam America and the Ford Foundation. Although the UNAC operations should be funded by membership fees, it is unlikely that small-scale farmers can bear the burden of such regular payment of dues. This reveals the need to provide assistance for farmers in boosting their cash income, having secured food supplies, and to create a circulatory system in which this will tie in with the strengthening of the UNAC system and its independence.

#### 2-4 Environment policy in agriculture and rural areas

Some 11.5% of Mozambique's land area is designated as national parks, wildlife reserves and protected forest, so natural resources are generally being conserved in a rational manner<sup>17</sup>. And although there are some areas which suffer from issues such as desertification, soil erosion, over-grazing, over-cultivation and deforestation, as is widely seen in sub-Saharan nations, overall these issues have not surfaced to a great degree.

Population pressures are also currently relatively slight, with a total population of 16.5 million people and a population density of 18 persons/km<sup>2</sup>. As the population is forecast to increase by 3% per annum now that the country is at peace, however, there is no doubt that population pressures will gradually rise in the future. The present issue regarding the population is its concentration in certain districts. Some two-thirds of the population of Mozambique is thought to live in coastal areas, and while accounting for no more than one-quarter of total land area, the provinces of Nampula and Zambezia hold at least 40% of the population. Over-use of resources due to population pressures is a problem occurring in these districts, with early signs that this will hinder their sustained use. Conservation policies are needed urgently, particularly to counter the loss of coastal mangrove forests and the destruction of coral reefs.

Cities, on the other hand, account for around 25% of the population, and there is little hope of people returning to rural areas. As with many sub-Saharan countries, the major issue in metropolitan areas is the lack of water and sanitation. In addition to this, however, Mozambique also faces problems due to the astonishing rate at which deforestation is occurring near urban centers. This stems from

the dependence of many urban dwellers on firewood and charcoal as an energy source in their daily lives.

It can be concluded from the above factors that environmental issues in Mozambique converge on ensuring the perpetuity of natural resources, agricultural and forestry lands, fishing grounds and the like. The June 1994 draft version of the National Environmental Management Programme (NEMP) is also based on a similar awareness. The NEMP is a master plan, comprising such elements as environmental policy, environment-related legislation, environmental preservation strategies and sectoral project plans in Mozambique. The objective of the Programme is to introduce the concept of Sustainable Development.

The Ministry for Coordination of Environmental Affairs (MICOA) was established under the NEMP in December 1994 to implement environmental policy, including studies and research. As "Sustainable Development" is the policy concept applied to the country as a whole, there will be calls for the policies and projects of all government ministries and agencies to be aligned and integrated with this. The policy gaps that are likely to arise under such circumstances would have to be modulated by MICOA. The Ministry will also likely be required to function as a network node to link the government to NGOs and the community. At present, however, staff and funding limitations mean that the Ministry does not have the ability to implement environmental preservation projects directly at the field level. So there is an insufficient response to the environmental degradation seen in coastal and urban areas, both of which are matters of the utmost urgency. This in turn highlights the importance of assistance in strengthening MICOA capacity to also boost the sustainability of agriculture and rural areas.

#### 2-5 Changes of rural areas and the direction of reorganization

##### 2-5-1 Requirements for the rebirth of rural areas

It would appear that since the end of the civil war Mozambique has been favored with aid, foreign investment and good rainfall to enjoy economic recovery and growth in agricultural production beyond anticipated levels. This, however, hides various inadequacies, and unless these are rectified, it would be no exaggeration to say that there will be no true development in Mozam-

<sup>17</sup> Fujitsu Learning Media (1998).



bique. The fact is, such inadequacies appear in no greater concentration than in rural areas.

It is thought these insufficiencies are not only influenced by production capability levels in agriculture, but also largely regulated by the social composition of rural villages; that is to say, the psychological and social scars of the civil war. Small-scale farmers hold some ambivalence caused by the civil war and peace. On one side of the coin, there are hopes for solidarity and social unity to overcome divisions which arose during the civil war. On the other side, however, the depth of these divisions has carved cynicism and distrust into the very souls of small-scale farmers, and they are living with the contradictory mindset of being unable to completely trust other human beings.

Properly recognizing the ambivalence felt by these farmers will be an important point to keep in mind when approaching the regeneration of rural areas.

#### 2-5-2 Poverty in rural areas

Overcoming poverty is a priority issue for Mozambique. This is not just a matter of raising the average per capita GDP; the task is made all the more difficult by the fact that beating poverty cannot be achieved without raising the level of the poorest people, who are to be found everywhere. Occupying a significant place in private and national economics, agriculture holds the key. The 1995 Poverty Reduction Strategy, in fact, raises as its first objective increasing competition in the agricultural market, and PROAGRI also has stated that agriculture is a vector which will drive economic growth<sup>18</sup>.

But what is the actual situation regarding poverty? The first point of consideration is the poor population. According to the UNDP's Human Development Report (1998), around 40% of the Mozambican population live below the poverty line. This figure, however, has tended to be underestimated, with the WFP putting the number at 60%<sup>19</sup>. Estimates in a report compiled by a research team comprising the Ministry of Planning and Finance, Eduardo Mondlane University and the International Food Policy Research Institute<sup>20</sup> suggest that about two-thirds of the population (69.4%), that is 11 million people, are living in poverty. (Table 5-3).

This report also includes calculations of poverty rates in rural areas and urban centers, producing figures of

Table 5-3 Estimates of Average Consumption and Poverty

	Population Share (%)	Average Consumption (MT/person/month)	Poverty Rate (%)
Rural Areas	79.7	150,074	71.3
Urban Centers	20.3	202,685	62.0
North	32.5	167,834	66.3
Central	42.6	141,990	73.8
South A	24.9	183,718	65.8
South B	18.8	161,036	71.7
National	100.0	160,780	69.4

Note: North = Cabo Delgado, Nampula, Niassa  
Central = Manica, Sofala, Tete, Zambezia  
South = Gaza, Inhambane, Maputo  
Maputo City is included in South A, but not in South B.

Source: Ministry of Planning and Finance *et al.* (1998).

71.2% and 62.0%, respectively. This indicates that 82% of poor people reside in rural centers. By province, the poverty rate in the central region is statistically significantly higher. Furthermore, the report makes mention of the ultra-poverty of the poorest people. Ultra-poverty is defined as 60% or less of the poverty line, and the report shows 37.8% of the total population, 38.8% of the rural population and 33.8% of the rural population of the urban population are living in ultra-poverty.

It is in this way that the poverty-stricken are particularly concentrated in rural villages. The poor in rural districts have only the smallest plots of farming land, and are virtually without production goods or consumption goods. For this reason it is difficult for them to create a food surplus, and their means of obtaining an income are extremely limited. Accordingly, the slightest shortage of rain, or the merest flood, is enough to quickly threaten their livelihood.

In terms of daily life, generally the level of education is low, and water and sanitation conditions are abysmal. Lagging behind in the development of basic social infrastructure on a nationwide scale, Mozambique has one of the lowest human development indexes (HDI) in the world, and even basic human needs (BHN) are not being met for a large part of the population. UNICEF estimates that 46% of the population has no access to sanitation

<sup>18</sup> Ministry of Agriculture and Fisheries (1998) p. 18.

<sup>19</sup> WFP (1999), p. 1.

<sup>20</sup> Ministry of Planning and Finance, *et al.* (1998) Part 1.

facilities, and 37% have no access to safe water<sup>21</sup>. This is evidenced in the high rate of infant mortality, the birth of undernourished babies and the prevalence of water-borne infectious diseases.

While the government is fully aware of the situation, there is a dire lack of resources to overcome it, leading to an emphasis on self-help efforts in many areas. This corresponds to an undercurrent of a market-led, beneficiary pays principle type of policy, a trend which is also obvious in water and sanitation for rural areas. This is seen in the commencement by the government of the Rural Water Transition Plan which aims to shift the conventional onus of water and sanitation provision from the public sector to an approach in which demand is met under the responsibility of the community. This plan is to be expanded to apply to all provinces by 2002<sup>22</sup>. Should this plan be implemented entirely, expectations are that regional disparities will increase even more, creating further difficulties in meeting basic human needs in rural areas.

### 2-5-3 A view of a rural village through a questionnaire

Because statistical material does not provide a complete picture of circumstances in rural villages, a request was made to conduct an interview-style survey, using a list of questions, through the Japanese expert in charge of ODA coordination in Mozambique in July and August 1999. A summary follows of the actual situation in a rural village based on the result of collations<sup>23</sup>.

The village in question is Munguine in the Manissa area some 75 km north of the Mozambican capital of Maputo. Although Munguine is around 10 km off the trunk road, it can be reached by a road negotiable by vehicle. There is a railway station on the outskirts of the village and a river capable of providing water transportation also nearby (major repairs and renovations are required in order to moor boats, however). Overall, the village has quite favorable transportation conditions.

Below is a summary of the family structure, employment structure, land usage structure and state of commercialization of agricultural products. Although Munguine cannot be said to be a typical southern rural village, it will provide assistance in learning of the circumstances in

rural villages given that such primary data is scarce.

First is family structure. The average age of the head of the household is 52.5 years, with a concentration of those in their 50s (16) and 40s (10). The proportion of elderly, however, cannot be ignored, with the eldest at 88 years of age, 6 people in their 60s and 1 in their 70's. Of the women interviewed, very few were acting as head of the household. The average number of persons in a household is 6.07, with the 6-member and 9-member households accounting for the greatest proportion of all households. As the 1997 census showed a nationwide average of 4.2 persons per household, the figure is quite higher in Munguine. The predominance of the directly-related two generation family in family composition shows that there are many children included in households with a large number of family members.

One out of three interviewees stated that there were no relatives who were not living with them, while in other households the average number of non-cohabiting relatives was three. Age and gender distribution in households reveals a spike in the lower age groups, and a void in the middle-aged male stratum accompanied by a corresponding trend in an increasing proportion of females (Figure 5-3).

With regard to family structure, most members of households are blood relatives, with a particular point of note being that there were very few households which included non-blood relatives. This indicates that the traditional, mutual assistance function of expanded families which include kin and non-blood relatives became weak. It can also be argued that this coincides with the low level of monetary and food assistance between non-cohabiting family members (many of whom are sons and daughters). This weakening of mutual assistance between families was likely the result of human action, such as working away from home, transferring to cooperative farms and the creation of refugees during the civil war.

The second area of investigation was employment structure. The overwhelming majority of household heads were involved in agriculture, one person was unemployed due to advanced years, one was a shop assistant, and there was one person whose employment circumstances were not clear. Spouses are generally involved in the same area of farming, but a significant

<sup>21</sup> UNICEF (1998).

<sup>22</sup> World Bank, (1999) pp. 11-12.

<sup>23</sup> Interviewees numbered 43. Survey forms were collected at the time of the local study in August 1999. From interviews at the time of the local study it was found that there were 3,051 males and 4,864 females making up the 2028 households in Munguine.

number ( 12 ) responded that household works were their jobs. Daughters also worked mainly in farming as well as helping with household works. A slight difference emerged regarding sons; a total of 12 were engaged in mining, carpentry, construction, public services and other fields. Only relatively young males have the opportunity to work in an area other than farming. This kind of employment structure is related not only to restricted employment opportunities, but also probably to the disparities in educational levels ( Table 5-4 ) .

The next element is the structure of land usage. The average area of land held is 2.5 ha, which is not particu-

larly small. Break this down into individuals, however, and it is evident that the number of people operating small-scale farming is significant, with four people holding 0.5 ha, nine with 1 ha and five with 1-1.5 ha. At the other end of the scale, the average area held is boosted because three people had 5-10 ha and one held more than 10 ha. The disparity grows even larger when irrigation is added to the equation. Although there were interviewees who had fields which could be irrigated to a maximum area of 5 ha, there were seven people unable to irrigate at all, and some 10 people were able to irrigate no more than 0.5 ha. Under his kind of ownership structure, interviewees were cultivating a multitude of crops on small parcels of land in order to boost the degree of land usage. While the average number of crop varieties cultivated was 4.4, there were eight people growing seven varieties of crops or more. Frequently cultivated crops are maize, yams, cassava, sugar cane and bananas.

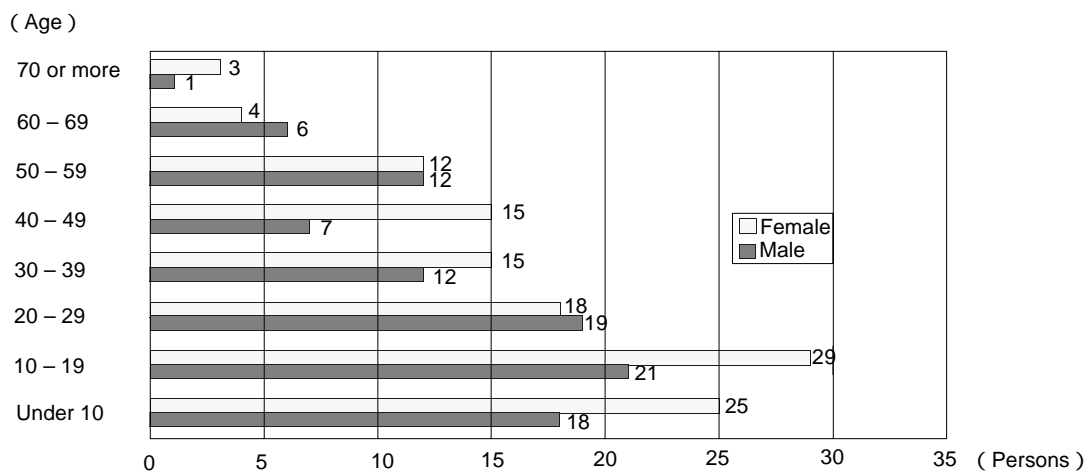
For all varieties, the harvest volume varies considerably. In the case of maize, the average harvest is 408 kg, although the range among farmers is from a maximum of 2,000 kg to none. The majority of the harvest is used for self-consumption, and only a small amount is sold. In addition, the number of households able to sell crops is limited: five for maize, six for yams, three for cassava, 11 for sugar cane and 14 for bananas. The minor degree of commercialization of crops means that only limited income can be obtained from agricultural produce. The average cash income totals no more than 2 million MT ( 1 million MT = US\$77 )<sup>24</sup>. This even can't afford blankets, one of the most sought after purchases.

Table 5-4 Level of Education of Households Surveyed

Education Level	Head of Household	Wife	Son	Daughter
Actual Number	43	20	55	71
None	32.6	45.0	0.0	7.0
1	0.0	5.0	3.6	2.8
2	18.6	20.0	7.3	8.5
3	18.6	10.0	16.4	22.5
4	14.0	10.0	16.4	29.6
5	2.3	10.0	14.5	16.9
6	7.0	0.0	14.5	5.6
7	7.0	0.0	16.4	1.4
8	0.0	0.0	1.8	4.2
10	0.0	0.0	3.6	1.4
11	0.0	0.0	5.5	0.0
Total	100.0	100.0	100.0	100.0

Source: Interview survey.

Figure 5-3 Composition of Households Surveyed by Age and Gender



Source: Interview survey.

<sup>24</sup> For reference, the price of ground maize in the Star Market in Maputo was 7,000 MT/kg on August 17, 1999.

#### 2-5-4 Empowerment of women in rural areas and social development in villages on the outskirts of Manica

Gender issues in Mozambique are immediately obvious from the following indices<sup>25</sup>. Illiteracy among women is 77% ( against 42% for men ), and only 54% of girls receive a primary education ( 75% for boys ). A larger proportion of girls than boys are malnourished, and the rate of maternal mortality in childbirth is one of the highest in the world. An element of note that can be observed from the context of the rural village is the heavily skewed structure in which women make up 52% of the workforce but account for 90% of workers involved in agriculture. This means that gender issues in Mozambique equate to issues in rural areas.

This also reflects not only the increasing degree to which women conduct farming in Mozambique and the fact that women undertake a considerable proportion of agricultural activities in rural areas in Mozambique, but also that the establishment of social rights for women is not being addressed. Changes in traditions to do with the family only exacerbate this. Whether they became widowed or divorced, women were previously supported by the inter-family network or within the framework of the extended family. With the decline in such traditional values and social structures as a result of people moving away to find work and the civil war, however, women are struggling to maintain their families by themselves all across the nation. This means that the empowerment of women in rural areas in particular is an essential condition to the development and stabilization of rural villages in Mozambique.

In the 1995 Agricultural Policy and Strategy for Implementation, the government also recognizes the central role of women in agriculture and comprehensive rural development, placing a high priority on the active participation of women in agricultural technology training and dissemination activities in rural areas. Despite this, however, the lot of women in rural areas appears not to have improved, because, although considerable progress has been made in supporting women legally and systematically, this is not accompanied by a policy to allow economic independence.

Below is presented an endeavor to empower the women of the aforementioned village of Munguine, accompanied by observations regarding its significance

and of its problems.

A small-scale irrigation project is currently underway in Munguine, implemented under the Ministry of Labor. The Ministry of Labor is the governing authority on this project because it is a joint effort by the governments of Mozambique and South Africa as an unemployment measure. Many people living in this village have returned from South Africa ( 25% ) due to the rationalization of mines there, or were widowed during the civil war ( 20% ). Eager to encourage the return of migrant workers, the South African government has been considering the creation of job opportunities by assisting agricultural development as one means of this. Munguine is one area for such projects.

The targeted crop is bananas, and the objective 30 ha. This has, however, been insufficient in providing a livelihood for the villagers. Observations in 1999 found that planting had not been completed, with just 10 ha under crop, irrigation pumps had only just been installed and that pipes were still waiting to be connected.

Banana irrigation is conducted on only a relatively small scale, and is quite time consuming. It was here that a women's group was envisaged to take care of this. Participating women were organized into community associations according to the district in which they lived, with duties being rotated through the groups. The women receive food provided under the WFP Food for Work program each month. Tools also supplied by the WFP were stored together in one warehouse, with the responsibility for the key also falling to the women, which shows the progress made in their empowerment.

South Africa agreed to purchase all bananas harvested at the international price, a practice which could be seen as a new form of development aid. Profits are to go towards electricity costs, pump maintenance, and associated operating costs. A staff of around 20, including disseminating staff, and 10-30 women as permanent monitoring staff manage project operations. It is of particular note that two Sierra Leone nationals, both former United Nations staff, are living in the village and helping fortify the organization and project operations of the women's associations.

In addition to the aforementioned conditions, the village of Munguine is relatively new and there is no charismatic, traditional authority. This is a possible reason for the relatively smooth progress in utilizing the abilities of

<sup>25</sup> World Bank ( 1998 )pp. 24-26.

the women and allowing fair assessments. In general, the women of Munguine are cheerful and give the impression of having deep inner strength. Even if the small-scale irrigation project will not bear economic fruit just yet, it seems this phenomenon is not unrelated to the fact that the women have gained confidence having been involved in the implementation of the project from the start, and from managing it themselves. This can be held up as a positive example of rural promotion through the empowerment of women.

#### 2-5-5 The duality of traditional authority

The authority of the traditional chief is generally deeply rooted in the Sub-saharan nations. In Mozambique it was originally the chiefs, known as “chef das terras” or “regulo”, who distributed land among the village people. Public authority was bestowed on these traditional chiefs by the colonial government, and they partially undertook regional duties such as collecting taxes and procuring labor<sup>26</sup>. The traditional chiefs lost the authority they had held up until independence when the Frelimo government made land the property of the state.

Once farmers who had wandered as refugees returned after the conclusion of civil war, however, the traditional chiefs made sure they received their portion of land, indicating the traditional customs still functioned. This led to the government officially recognizing the role of the traditional chiefs. Traditional chiefs were therefore granted modern legitimacy, further strengthening their powerful authority in rural districts. This was to have significance in that traditional authority was able to protect the lives of residents of rural villages, or act as a medium for relating the assertions of those residents.

As was mentioned in 2-5-1, what acts as an integrating force among the rural villagers, who have a conflicting mindset, is the traditional values and ethics which form a psychological mainstay. It is here that a basis is formed for the return to traditional authority in a context other than the political one.

Political motives seeking to use traditional authority to ascertain out-lying regions frequently take the upper hand, however, resulting in “misunderstandings” by chiefs to whom political legitimacy has been granted. Instead of the traditional authority protecting the village residents, many cases have emerged in which it was used

for self-gain or to infringe on the rights of women<sup>27</sup>. This is how the suppressing of the rights of the socially vulnerable under the guise of “legitimacy” has become a daily occurrence.

Envisaging traditional authority as a counterpart in supporting regional development has a certain efficacy. At the same time, however, the duality of the traditional authority means that it must be recognized that, without a thorough examination of its nature, there is the danger that it may further worsen the situation of the poorest people and the vulnerable in society.

Up until now the discussion has been premised on traditional authority being active in community units. In the case of multiple communities (including ethnic groups) which have common traditional practices, however, it is sometimes better to view them as an “extended community”. An example is the traditional relationship known as “ovilo” which is evident between the Wamakonde and Wayao peoples<sup>28</sup>. “Ovilo” is a social practice which recognizes a certain kind of freedom of love between these two ethnic groups. It is a very close relationship, at the same time including principles of mutual aid. In such cases, it is wise to assume that a powerful chief can function as the common traditional authority across multiple communities.

#### 2-5-6 The feasibility of rural NGOs

Mozambique is besieged with numerous NGOs as donors, as well as emerging local NGOs as partners in aid cooperation. With support from GTZ, IUCN, the Ford Foundation and other donors, NGOs such as WWF, AGRARIUS, AJAM and AMRU are developing activities in the agricultural field as well. The vital role of these NGOs in rural development is coming to be widely recognized, not just in government circles, but also in the broader community. Because these NGOs are operating independently, however, it is not possible to obtain an overall grasp of the nationwide activities and results, nor are there sufficient data for the Ministry of Agriculture and Fisheries to evaluate the influence of NGOs on agriculture, forestry and fisheries in an organized and clear fashion.

Generally speaking, however, it can be said that NGOs are characterized by their emphasis on social development and capacity building rather than economic devel-

<sup>26</sup> Waterhouse, R. (1996) pp. 29-30.

<sup>27</sup> From an interview with Sayaka Funada, Graduate School of Tsuda-juku University.

<sup>28</sup> UNDP (1998) pp. 36-39.

opment, their tendency to be under an umbrella organizations, and their links with various communities and farmers groups at the local level. Problems faced include the lack of staff and funding when trying to go out into the field, the difficulty of making a mobile response due to the decisive lack of means of transportation, the inability to guarantee the continuity of programs due to insufficient resources, and their being forced to withdraw because of this before having gained the trust of the villagers.

The land campaign mentioned in Footnote 14 in Section 2 of this Chapter is a typical umbrella-style NGO with a network-style organizational structure linking roughly 200 NGOs, associations and groups around the country. Although it has a central office, there is only a handful of permanent staff, while the individual organizations at the provincial and district levels conduct independent activities. The central office provides materials for educational activities and campaign activities. Their main areas of activity are overcoming poverty, literacy education to protect rights, surveys to work towards guaranteeing food security and providing ideas for the development of agricultural villages<sup>29</sup>.

An organization involved in rural development through the empowerment of women is the Mozambican National Association for Rural Women's Development (AMRU), in which there are 15 staff members in the head office and 12 in districts where projects are underway. As of 1999, they have been conducting activities in the four provinces of Maputo, Nyamanga, Manica and Gaza, posting three staff members to each of these areas. Education, sanitation and water and agriculture are the main realms of activity. Activities in the area of agriculture focus on securing food self-sufficiency and boosting cash income. Projects currently being implemented including the production and commercialization of livestock raising, bee-keeping and honey and mushrooms (including primary processing), as well as agro forestry.

Rather impressive results have been achieved particularly in the promotion of livestock raising with a kind of micro-credit using actual animals. Under this system 100,000 MT is first paid to borrow one male and several

female goats, then payments of 850,000 MT and seven female goats are to be made over a period of two years (installment payments of around 30% of the borrowed livestock). Any other progeny produced in that time remain the property of the borrower. Once the repayment obligations have been met, participation is allowed in the same type of credit system to purchase cows<sup>30</sup>. This method allows poorer women in rural villages, with little means of earning a livelihood, to improve their nutrition and expand their opportunities to obtain a cash income.

Similar schemes to this micro-credit system of promoting livestock are also being conducted elsewhere<sup>31</sup>. Rachel Waterhouse presents the story of a woman in the village of Boma in Niassa province who kept many goats before the civil war, reporting that she received a pair of pigs under the local loan scheme and commenced her own breeding and fattening<sup>32</sup>. Conditions of the scheme are that a male and a female from the first piglets born must be given to another family in Boma. This means that one woman becomes the nucleus of the village in spreading piggery operations. This scheme is a version of the traditional practice of lending and borrowing livestock within the community, connecting it to the values of the small-scale farmers. As is the case with the AMRU, rural NGOs have cleverly incorporated tradition to achieve an adaptable response.

## 2-6 Aid - directions and issues

### 2-6-1 Erasing the meagerness of food production

Despite the appearance of a steady recovery in Mozambique's food production, as has been mentioned many times before, this rests on an extremely fragile base, with major harvest losses occurring from the slightest drought or flood. The harvest volume per hectare for grain crops is also very low, standing at no more than 0.4-1.4 tons for maize, 0.5-1.8 tons for rice and 0.3-0.6 tons for sorghum<sup>33</sup>. As the potential land productivity is much higher than this, however, it is estimated that harvests of 5.0-5.6 tons could be achieved for maize, for example. The primary cause of this disparity lies in the lack of soil fertility and the small areas of land under irrigation. In

<sup>29</sup> From an interview with Jose Negrao of Land Campaign (August 17, 1999).

<sup>30</sup> From an interview with Amelia Zambeze of AMRU (August 19, 1999) and AMRU, (1999).

<sup>31</sup> According to Chidzero, A.M., *et al.* (1998) although micro-financing generally has a lot of potential in rural areas, the rate of commercialization of agricultural produce, the repayment term, the scattered location of those requiring the service and other problems are restricting its development.

<sup>32</sup> Waterhouse, R. (1996) pp. 29-30.

<sup>33</sup> *Estatísticas Agrárias 1994- MAP-Dpto de Estatística* (JICA South African Office, internal documents).

Tete province just 40% of land that could be irrigated is actually under irrigation. The second reason for the difference is the loss, partially due to the civil war, of traditional know-how such as mixed crops and inter-cropping, which are techniques to spread out the risks with the harvest.

Because the low level of productivity aggravates the meagerness of food production, aid is required which will tie in with improved productivity. Important in this is to first improve land management skills and contrive uses for organic fertilizers using local materials. It is thought that uncovering traditional farming methods and properly re-evaluating them will play a vital role in this stage.

In areas where irrigation is possible<sup>34</sup>, water facilities, including small-scale irrigation ponds which can be locally managed should be introduced once a thorough evaluation of their impact on the environment and health has been made. It must be kept in mind that there will be difficulty in introducing water systems into places where there is traditionally little use of water resources, so the simplest of formats that are easy to maintain are highly desirable. On the other hand, frequently occurring flood damage is also a major threat to the stable supply of food. Therefore, aid to flood control will contribute directly to the mitigation of food problems.

In addition to increasing productivity, it is also important to ensure processing and storage of harvested produce to strengthen self-sufficiency in food. Losses after harvest are heavy in agricultural villages in Mozambique. This is partly responsible for food shortages and the lack of seeds at the time of disasters, and is a factor in intermediate traders driving down prices. Post-harvest facilities which can be used at the community level would likely prove to be effective in addressing not only the poor level of food production, but also marketing issues.

## 2-6-2 The consolidated implementation of aid for increased food production, micro-credit schemes and the empowerment of women

There remains a strong need for assistance in boosting food production in Mozambique. With a significant shortfall in materials and machinery for agriculture, however, the desire in local communities for equipment provision programs by such organizations as the WFP is deeply rooted. Expectations of Japan's 2KR are also seen

in the same context, which still holds some meaning as an emergency aid measure. Given that the equipment providers in 2KR are involved in a tied format, and that there is increasing dependence on Japan for the provision of spare parts, however, this project could actually hamper self-sufficiency. With various other problems emerging, such as a further need to have counterpart funds at the ready and usage becoming restricted, the value in this is being questioned in many countries.

Overcoming these issues and addressing the desires of the local people is an issue for ODA in Mozambique. At the very least, investigation should be made of materials and equipment provided which will allow for the possibility of future self-sufficiency, and changes made to the system to enable local procurement. Of particular importance in ensuring the continuity of commercial farming will be the simplest of tools and the use of organic fertilizers which farmers can make themselves, or seeds which can be self-cultivated. From this perspective, what is needed is a system which will reflect the intent of the final users and managers when selecting materials and equipment to be provided and when determining their distribution. It is also important to use data bases to compile the feasibility of the local procurement of such agricultural materials and equipment and actively provide information to government offices and regional governments. As far as counterpart funds are concerned also, the management system should be amended to one which respects the sovereignty of the other nation in question.

Should the 2KR assistance to increase food production be able to reflect local needs, it will be possible to link it closely with the micro-credit schemes for livestock and the empowerment of women. It is the women in rural areas who essentially act as the managers of agricultural production and supplied materials. As such, the ideal form of aid would surely be to conduct these projects in a consolidated manner as much as possible<sup>35</sup>. Greater efficacy could also be gained from the micro-credit schemes if they were conducted with Mozambican NGOs as counterparts, rather than as aid from individual groups. Funding through domestic Japanese NGOs (although they have no more than a little power) should also be considered at that time.

<sup>34</sup> It is expected that approximately 3 million hectares can be irrigated, with at least 60% of that area in northern districts.

<sup>35</sup> Separate means shall be considered for matters that are left out ( projects for men, etc. ) .

### 2-6-3 Assisting the acceleration of administrative works for land reform and enlightening farmers

While the legal guarantee of land rights in the 1997 Land Act is highly significant as the basis of the continuation of small-scale farmers, it is thought the vast majority of residents of rural villages have no knowledge of this. As enormous effort is required to change land titles once they have been settled, providing rural residents with information, enlightening them and providing literacy education should be positioned as a priority project of considerable urgency. At the same time, assistance in accelerating the processing at provincial levels must also be considered.

### 2-6-4 Development of small-scale food distribution zone

The immaturity of agricultural produce markets and the under-development of distribution infrastructure are big obstacles in Mozambican agriculture. Given an economic structure in which 80% of the population is involved in agriculture, the essential limit to the domestic market relates to the first factor. Having said that, however, the strength of demand for agricultural produce in major urban centers such as Maputo and Beira is considerable. The produce of South Africa in particular is traded in such places, however. One of the reasons for this is the difficulty of transportation due to the lack of distribution infrastructure linking the northern region, with its excess of produce to sell, and the consumption centers, or the inability to remain competitive due to the high transportation costs. There may be cases in which it would be of value to consider the possibility of river transportation.

Distribution in Mozambique has generally been a matter of linking the inland areas to the coast, meaning that, considering the still limited domestic market, constructing a new distribution channel from the north to the south will likely result in a high cost-to-performance ratio<sup>36</sup>. Perhaps greater contribution could be made to the development of rural areas, therefore, if a more substantial approach were made in promoting border trade with regions with which long, historical relationships are enjoyed in each of the northern, central and southern regions, and if pluralistic and short marketing channels for transportation were developed within the country. Accordingly, there is a strong need to promote townships

and smaller urban centers to create regional hubs, and provide support to enable the interlocking and consolidated promotion of improved access to such hubs.

### 2-6-5 Agricultural produce processing for regional markets and developing niche products

The creation of new industries is needed to promote townships and smaller urban centers and to bring prosperity to the regional market. The starting point for this will need to be sought in the processing of agricultural produce. There are several dilemmas associated with this, however. If the aim is to create a distribution market on a nationwide scale, it will be necessary to ensure the safety of the processed agricultural produce and other quality issues, and the products must be able to compete, especially with products from South Africa. Reasonably modern plant facilities will be required to achieve this, and not only will large investments be needed to this end, but a certain level of expertise will also be essential to operate the plants. Under the present circumstances, it will be no easy task to secure labor which can live up to these demands.

That being the case, agricultural products-processing for local consumption ( regional markets ) can be considered for the time being, at which point it would likely be beneficial to focus on processing and storage know-how stemming from the region in question. Alternatively, another realistic approach might be to develop primary processing or semi-processing such as in the case of the AMRU-implemented mushroom slicing and drying, or niche products like honey.

Either way, projects such as agricultural products-processing should be left in the hands of the private sector. Assistance from ODA, therefore, could be in the form of initial support when communities and local NGOs are the operating bodies, in addition to support for labor preparation, boosting production of processing raw materials and developing access routes for the procurement of raw materials.

### 2-6-6 Rectifying regional imbalance

The conspicuous economic growth enjoyed by Mozambique in recent years has been led by the district around Maputo, but the benefits have failed to reach as far as the central and northern regions. This is the reason for the enormous regional imbalance evident in terms of a

<sup>36</sup> It is worth investigating river and sea transportation, however.



national state, making the re-alignment of the relationship between the center and the periphery within Mozambique a matter of great importance for the government. Because the economic spheres on which each of the regions relies differ, not to mention historical circumstances and location, however, this issue cannot be overcome in one fell swoop. While it is not possible to elucidate how far the development of agriculture and rural districts can contribute to this grave issue, this needs to be kept at the forefront of our minds, and well-founded assistance must be provided to the northern and central regions where there are the highest concentrations of poverty-stricken people.

As few research has been performed on these regions, however, a thorough analysis of the current situation must be the first item on the agenda. To this end also, it is important to begin with participatory studies which encourage the local residents themselves to identify issues. While perhaps troublesome and time-consuming, if the initial discovery of issues and formulation of plans is done properly, one can anticipate greater results at the project implementation stage and after implementation.

With a full awareness of the matters mentioned above, the development of forestry and fisheries ( including processing in both ) in which there is a relative abundance of resources, could be a quick-acting remedy. But even in this case, there are a mountain of problems requiring consideration, such as transportation issues, market problems and the issue of an environmental sustainability.

#### 2-6-7 Support of development studies and planning by residents

More than anything else, the development of the capabilities of the residents of rural areas themselves is essential in supporting mid- to long-term development to help them attain self-sufficiency. Until now, however, capacity building has been associated with the ability to take in assistance, and has centered on training of the leaders such as dissemination staff and policy makers in regional government, while the residents as a whole seemed to be thought of as no more than subjects for education and public relations activities. It has not been until recently that participatory development has been attempted, but there have been more than few cases of "resident participation" only after arrangements had been finalized, and of simple on-the-job training for daily wages.

In order to conduct solid, mid- to long-term assistance for agricultural and rural development, the prerequisite condition is for the village residents to amply consider

and understand what is to be developed and why. This means the villagers themselves take part from the early stages in undertaking development studies and drawing up development plans. Without this kind of true participatory development, it is doubtful that aid projects will take root in the region to allow the villagers to become independent.

Naturally it is unrealistic to think that this level can be reached from the outset. What is called for is an approach that supports the rural residents in their studies and planning, with this firmly in mind as the final objective. Given that, the most important point of departure is the search for, and submitting of, projects that are closely aligned with the lifestyle of the villagers and the use of resources. Although this may in itself take some time, it will likely be the shortest route to the final objective of doing away with aid.

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## Chapter 6. Urban Issues in Mozambique

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### 1. Urbanization and Urban Planning

The population of Maputo City is estimated to be 1.02 million ( 1997 ), and this figure rises to around 2 million if the surrounding metropolitan area is included. There are also regional urban centers in Beira( 480,000 ), Nampula ( 240,000 )and Nacala( 160,000 ). According to the 1997 census, the rate of urbanization in Mozambique is 28%, with rapid accumulation taking place in recent years<sup>1</sup>. Several factors were involved in the fact that urbanization in Mozambique were as low as 15%. The low population density contributed to keep push-factor low and higher food production capabilities than a high-land savanna region, so the rural population maintenance function is high. And because Mozambique has a history of supplying labor to neighboring countries such as South Africa, Swaziland and Zimbabwe, where higher wages can be expected, the choices of people moving from rural areas to urban centers were not necessarily focused on cities within Mozambique. In this way, Mozambique has acted as a source of labor for cities in surrounding countries such as Johannesburg, Durban, Harare and Bulawayo, or for mines and agricultural areas. Another reason for the previous low rate of urbanization was the civil war which stretched out over 16 years, restricting the movement of people between rural and urban centers. Nevertheless, the recent rate of urbanization in Mozambique is one of the highest among the African nations( Table 6-1 ) . With respect to medium-large urban centers which strongly draw people in, the number of base towns of at least 100,000 people is just five, while the number of workers heading to the mines and farms of neighboring countries, and technicians, and simple laborers, leaving rural areas for other nations remains high.

So how is urban planning responding to the rise in the rate of the urban population? The urban structure of Maputo City is still heavily influenced by the colonial era. Basically, the urban planning for a city of 300,000 determined through the publicly-released plan formulated in 1955 prior to independence, and the comprehensive urban development plan of 1970 form the basis for the

Table 6-1 The Type of Housing in Mozambique and Construction Materials

( Unit: % )

	Nation-ally	Urban Centers	Rural Areas	Maputo City
<b>Type of Housing</b>				
Detached	99.7	99.3	99.8	99.1
Cooperative	0.3	0.7	0.1	0.8
Other	0	0	0.1	0.1
<b>Construction Format</b>				
Detached	8.9	27.5	2.6	54.5
Apartment block	1.2	4.3	0.1	14.6
Straw/thatch	85.8	61.8	93.9	18.9
Pre-fabricated	2.7	3.7	2.4	4.6
Wood/galvanized iron	1.3	2.5	0.9	7
Not known	0.1	0.1	0.1	0.2
<b>Ownership</b>				
Rented	2.8	9.9	0.4	19.6
Owned	91.7	82.7	94.8	73.2
Cedida	3.3	5.4	2.6	5.3
Other	0.3	0.4	0.2	0.5
Not known	1.9	1.7	2	1.4
<b>Construction Materials</b>				
Walls: Cement blocks	7.2	23.5	1.6	55.7
Bricks	2.4	5.6	1.3	9.5
Wood/galvanized iron	1.5	3.1	1	8.8
Sun-dried bricks	18.9	23.7	17.3	0.1
Straw, branches, wood, bamboo, palm	20.3	20.4	20.3	24.6
Paus maticados	47.9	21.8	56.7	0.4
Paper, bags	0.2	0.2	0.1	0.3
Other	1.7	1.7	1.6	0.5
Floor: Wood	1.2	4.8	0	15.1
Marble	0	0.1	0	0.3
Cement	12.3	37.4	3.8	67.8
Tiles	0.2	0.4	0.2	0.6
Sun-dried bricks	17.7	139	19	1.5
Earth	68	42.9	76.4	14.3
Other	0.5	0.5	0.5	0.3
Roof: Concrete slabs	1.6	5.8	0.1	17.9
Tiles	0.5	1.2	0.2	1.7
Textile cement boards	2.6	8.2	0.7	4.8
Galvanized sheeting	12.3	33.4	5.1	72.8
Grasses, straw, cogon	81.8	48.9	92.9	2
grasses, palm				
Other	1.2	2.4	0.8	0.8
<b>Utility Dissemination Rate</b>				
Electricity	5	18.6	0.5	38.1
Radio	28.1	49.9	20.8	71.8
Water: Internal	2.4	9	0.2	22.1
External	6.1	22	0.7	26.9
Springs	6.8	18.8	2.8	26.6
Deep wells	66.5	44.5	73.9	23.9
Ponds, rivers	17	5	21.1	0
Other	1.2	0.7	1.3	0.5
Toilets Flushing	3.3	10.5	0.8	25.7
:				
Pre-fabricated	30.8	55.1	22.5	70.3
None	66	34.3	76.7	4
<b>People per House</b>				
	4.3	5	4.1	( See Table 6-2 )

<sup>1</sup> United Nations' and World Bank estimates, however, are 32.8% and just under 40%, respectively. Source: <http://www.ine.gov.mz/Censo97>  
Instituto Nacional de Estatística, Mocambique ( 1997 ) .

current town structure<sup>2</sup>. Following independence, the Maputo-Matora District Structure Plan was drawn up in 1985 with a master plan for land use as its nucleus. Construction investment was limited in urban centers after independence, with the cityscape strongly colored by the colonial town of Lourenco-Marques<sup>3</sup>.

Apart from the restoration of utilities such as water and sewage pipes, the expansion of new service areas and the collection of waste, the government's systematic urban policy and urban planning was not functioning, resulting in unchecked urbanization. Some 25 years after independence, the buildings in towns have reached an age of 40–50 years. The town infrastructure constructed by the Portuguese for a city of 300,000 has reached a critical condition. Because the urban infrastructure investment of the colonial economy concentrated on the sloping land at the mouth of the river, Maputo has many high-rise buildings and high-rise apartments blocks when compared with towns of comparable populations in Africa, such as Kampala and Dar Es Salaam, giving the appearance at first glance that the upward development of the town is quite advanced. The present architectural environment, however, is no more than the remainder of the colonial town of Lourenco-Marques. Although liberalization of property ownership has been in effect since 1991, as real estate became the property of the state in 1976, land is still in the hands of the government. Construction investment in some part of Maputo has been evident since 1993 in the areas of foreign owned property, suburban luxury residential estates and for retail and service related facilities. This means that the cityscape has changed very little since before independence. ( Figure 6-1 ) .

## 2. Urban Transportation and Housing

The government's housing policy, announced at the end of 1998, encourages the “phased and sustainable expansion of residential areas in accordance with management capabilities”, and cites the “promotion of residential area development, on a reasonable scale, to alleviate urban congestion, and which will encourage the renovation of urban development districts”. The policy also addresses land use in metropolitan areas, mentioning “development of conditions required for the development of new residential areas with the minimum required infra-

Figure 6–1 The City of Maputo



photo by Yoshida, Eiichi.

structure and basic services, and the introduction of measures for the development and re-development of peri-urban areas”, and “the introduction of mechanisms which will encourage the provision of residential development plots”.

Based on this policy, the Mozambican government is providing mainly detached housing owned by the householders, and selecting residential policies to spatially expand the urban area. This housing policy has just got underway with the launch of the Housing Mortgage Corporation. The policy is neither a site and service format in which land, water and sewage and electricity is supplied, nor a resident participatory, low-cost residence provision format. It is a home loan policy restricted to those people with the ability to service debt<sup>4</sup>.

Low-cost housing provision projects under government housing finance is in progress in two locations some 10–20 km from the city center in Kongolote and Mahotas through Chinese technical cooperation. In order to reduce further construction material costs, a construction method which uses building materials that can be sourced locally is being developed from the conventional construction method involving cement blocks and tin roofing material ( Figure 6-2 ). The housing is being developed for people employed in the formal sector with a fixed income. These houses, with 2–3 bedrooms and living rooms, have certainly not been developed for those in the informal sector, or low-income earners. The poverty-stricken majority either fight for space in the urban centers or live on the outskirts in rural-type houses made of straw and branches

<sup>2</sup> Population Division ST/ESA/SER ( 1995 )pp.154-155.

<sup>3</sup> “O que? Planeament Fisico,” Agosto/Septembro 1999, pp.8-11

<sup>4</sup> *Politica de Habitacao*, Versao 16 December 1998.

Figure 6-2 Residential projects in Maputo



Government housing finance project in Mahotas



Housing model in Kongolote



Experimental housing in Kongolote



Coop-House where maintenance is becoming problematic

photo by Yoshida, Eiichi.

which they build themselves. These illegal residential areas surrounding the cities give them a rural landscape<sup>5</sup> ( Table 6-1, Table 6-2 ).

Table 6-2 Residential space per capita in Maputo City

( Unit: % )

No. of Residents	1 room	2 rooms	3 rooms	4 rooms	5 rooms or more
1-3 people	57.5	21.5	10.6	7.7	8.1
4-6 people	32.1	48.9	38.1	24.5	16.1
7 or more people	10.4	29.6	51.3	67.7	75.9

Source: <http://www.ine.gov.mz/Censo97>.

Despite the 1991 liberalization of land ownership, the free trading of land is still extremely limited, operating as it is under an authorization system. It's because current government has made efforts to prevent the degradation of the living environment and spread of illegal residents, the illegal property markets, and the uncontrolled sprawl of the urban space.

With the present stagnation in urban infrastructure investment, however, and no way to halt the rapid concentration of the population, urban productivity is on the decline. Under such circumstances, the poverty stricken generally live as a function of classifications into legal or illegal, or survive by relying on others. In urban centers where such residents make up the majority, it is impossible for them to bear the costs of maintaining urban functions, leaving them no choice but to resort to maintaining

<sup>5</sup> According to the 1997 census, the use of straw and branches ( 24.6% ) was already the most commonly used construction material following cement blocks ( 55.7% ).

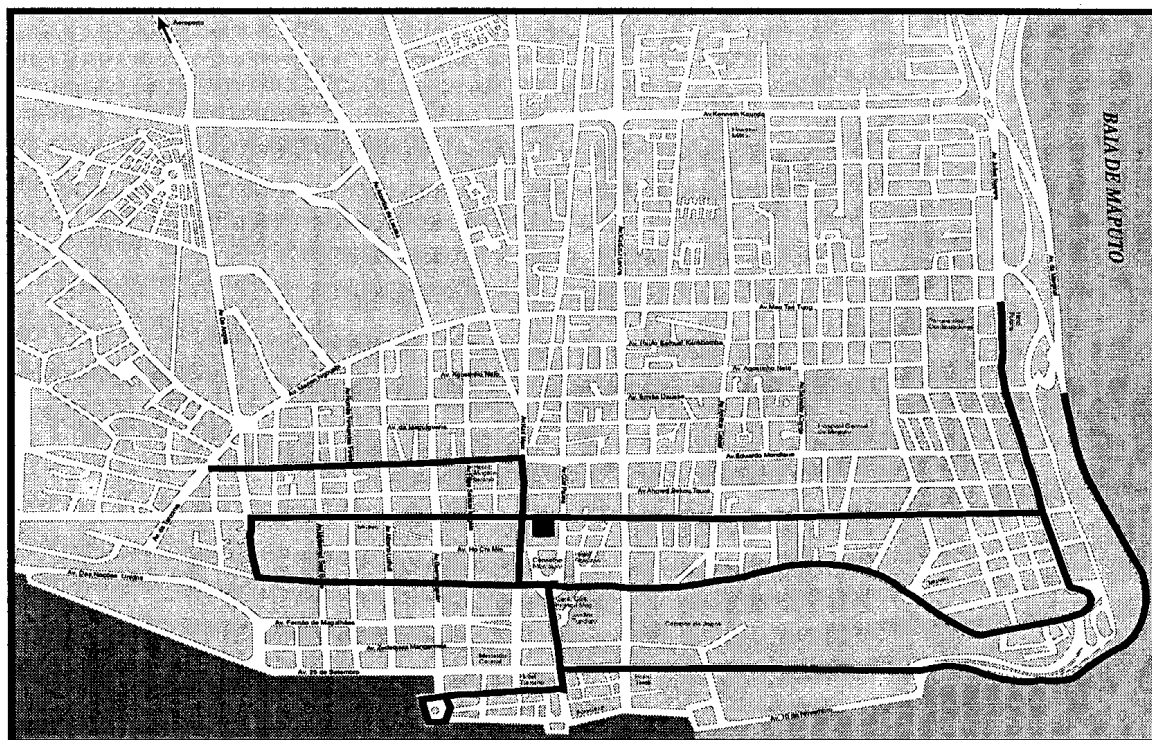
their livelihood through a rural-style practice of self-production. The series of changes in the urban lifestyle known as “the ruralization of city” is a phenomenon which spatially reflects the rational choices of the poor urban dwellers. Some of the aspects of this ruralization are the increase of the aforementioned rural-style houses, urban farming in vacant land along roads and park areas, cooking on open fires in high-rise apartment blocks, farming activities such as growing peanuts and grinding maize, and throwing rubbish out of the windows of high-rise apartment blocks.

Because cooperative housing has not been provided for low-income earners in city centers in recent years, residential areas are expanding to the suburbs and beyond unchecked, increasing the number of long-distance commuters<sup>6</sup>. Due to the limited ability of these long-distance commuters to pay transport costs, public bus companies and min-bus taxi owners are unable to set fares commensurate with operating costs, even if they wanted to. This

has created a scenario in which such commuter bus companies have developed a chronic dependence on government subsidies. Mini-bus taxis under a registration system and personal vehicles are the main means of transportation in areas not serviced by the bus network, while the only public transportation service provided is a small-scale public bus system (large buses and mini-buses). Although a small-scale Light Railway Transit (LRT) system was in operation prior to independence, it was abolished as the business base was tenuous even during colonial times<sup>7</sup> (Figure 6-3).

To deal with the weakening of the management base for public transport systems, it would be necessary to establish a system in which employers bear transportation costs or to progress in cooperative housing in urban centers. Without these measures, this issue will not be easily resolved. If suburban bus companies are to be maintained, whether by the public or private sector, it will necessary to set fares in accordance with maintenance costs,

Figure 6-3 The light track railway line before it was abolished.



Source: Vieira (1997)

<sup>6</sup> One exception is the city center collective residences supplied by the Mozambican government after independence. The independent government continued and completed the development which Portuguese residents had begun prior to independence in areas neighboring the city center but had abandoned mid-way when the country gained its independence (refer to Figure 6-2 photograph and design). These are COOP region, and these cooperative complexes now for multiple families to be sharing housing, just as in other inner city high-rise complexes, and problems are emerging in the management of water and sewage demands which exceed capacity, and also elevators.

<sup>7</sup> This was run during the period 1904–1936 over a distance of 17 km. Vieira, S. (1997).

improve services to passengers who are able to pay those fares, and make efforts in the management side also such as in the areas of time-table management, development of bus waiting areas, and making application for the establishment of special bus lanes for peak-hour. The expectation of profits would also rise if bus companies themselves were to diversify management. The privatization of bus companies has been initiated by the World Bank in two cities, one being Maputo, and as to the track transportation, a project feasibility study for a Light Railway Transit in Maputo City is currently underway with the assistance of the German government ( GTZ ) .

### 3. The Concentration of Development in Urban Centers and Correcting Regional Disparity

While the three development corridor projects, Maputo, Beira and Nacala, currently in progress are something which might aggravate the nation-dividing spatial structure in a short space of time. They are also expected to serve to emphasize the regional identities to attract investment from overseas<sup>8</sup>.

Some fear that even greater clarification of the regional economic structure of the areas included in the development corridor plans and those not included might expand the current regional disparities. In the short-term, however, attracting investment in production equipment to strengthen specific bases will be inevitable, rather than dispersed investment across the nation, until urban productivity attain certain amenity. In other words, decentralisation are valid not only to help create regional employment, but also when there is a strain on land and water and spiraling land prices in urban centers. The push factors from urban centers in Mozambique, however, are not thought to be strong at the moment.

Due, in part, to the civil war, regional economies have been unable to make the most of the potential resources and production capacities, and Mozambique is not the only nation to be swallowed up in the wave of rapid economic re-structuring stemming from the inroads into markets on the African continent of South African private sectors. Current corporate investment activities in Southern Africa need to be perceived as crustal movements in

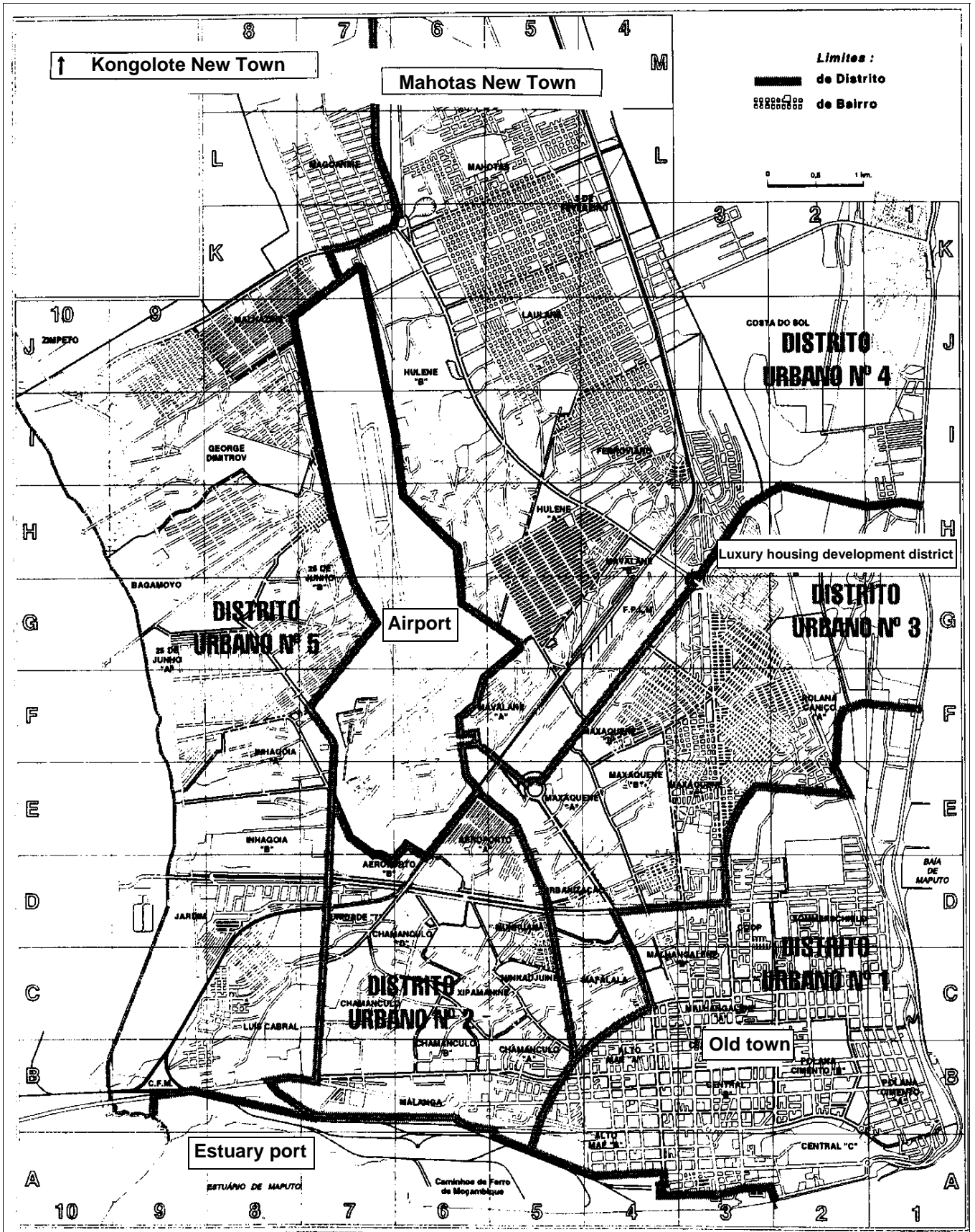
economic changes to create a more rational production distribution out of the present situation of former front-line countries. Such activities would change the former skewed traffic networks and industrial production distribution made by South Africa.

The location and development of enterprises in the Maputo corridor is in a process to regain the position of Maputo Port, which previously held as the external gateway for the PWV area, and accounted for 40% of the South African economy. In the meantime, as there is little prospect of the Beira and Nacala corridors, where progress is slow, being any more than external ports for Zimbabwe and Malawi. Because the recovery of the transportation network via South Africa can provide smoother customs and quarantine processing and harbor loading and unloading. In one sense, the northern corridors of Mozambique are coming to the end of their historical task.

Trends in the location of enterprises and distribution systems are important factors in ascertaining regional economic trends. In the case of Mozambique, the southern region is clearly favored as a location, as it is for modernization of distribution systems. Although, in the long-term, development of north-south transportation and telecommunications networks will lead to the development of the domestic distribution format, at this point, there is thought to be only a very limited need for the promotion of north-south distribution, so it does not need to be actively addressed. Rather, it would be wiser to wait for progress in the distribution of South African consumer goods to prompt the modernization of the distribution function, and for the development of South African enterprises and distribution in areas outside the Maputo area to bring moves to modernize network systems including north-south and other distribution and telecommunications networks. At the present time, there is few economic reason to intentionally create a south-north link involving the two base cities for corridor development, Nacala and Beira, which exist as external ports for the economies of the land-locked countries of Malawi and Zimbabwe. The port of Beira has, however, exhibited superior location advantages with power and water supply from Cabora Bassa, and it is expected to accumulate

<sup>8</sup> For example, the location of Mozaru Aluminum Refinery, arguably a typical project in the Maputo Development Corridor plan, and investment associated with it, will create jobs for 6,000 people in construction and 1,000 in the plant, and is therefore expected to stimulate the economy in and around the capital in terms of job creation, company housing and housing development, as well as the consumer market. Measures to deal with anticipated short-term shortages in industrial and residential water stemming from the advancement of the project, and the creation of jobs through encouragement and development of down-stream related industries will also be required.

Figure 6-4 The Maputo Town Plan



Source: *Moç Ambiente*, Agosto/Setembro 1999, p.18.



functions over and above those required as a mere external port for the Zimbabwean economy. This will require the port sales, development of industrial infrastructure by BOT and strong approaches to export-oriented conventional Zimbabwean enterprises.

#### 4. Sector Cooperation

The World Bank Operation Evaluation Department raises the following issues in urban problems: the absolute poverty faced by one-third of the urban residents; shortages of basic social infrastructure such as water, sanitation and health; and the high rate of crime. As countermeasures to these, World Bank first proposes job creation and economic growth, and priority apportioning of donors to the urban sector in order to improve urban productivity. The second proposal is the formulation of a national urban policy (including land and housing markets) and the prioritization of urban development projects. Third is environmental evaluation and the formulation of a regional environmental action plan, and fourth is the selection from the residents' perspective of projects, the adoption of appropriate technological development method in poor urban districts and peri-urban areas, and the use of participatory methods under decentralization. The 1991 World Bank urban sector appraisal also pointed out the necessity of system reform and the effective management of urban development in order to establish independence in administration, legal systems, finances and politics of local governments<sup>9</sup>.

Because urban issues in Mozambique are only just starting to be addressed, and given the limited aid from other donors, this is an area in which Japan could be appealed to for assistance. In concrete terms, a rapid response is needed in improving utilities for space sharing residential complex in urban centers. Regardless of whether they are legal or illegal houses, the housing authorities in Mozambique and donor countries need to recognize the reality of space sharing by multiple households in urban centers as one style of living in cities. With the privatization of solid-waste collection underway, it will take some time to see its progress. As far as urban transport is concerned, maintenance of a light track railway facility is financially unfeasible, even without the feasibility study of GTZ project. It would be more realistic to modernize the mini-bus and bus network, while a

more urgent matter is the widening of trunk roads which would link up with low-cost residential areas. It's recommendable to start by introducing special lanes for buses at peak times. Low-cost housing might be difficult to be covered under the existing Mortgage Scheme. Also zoning in an area of a radius of 50 km from the city center with a vision of the sanitation environment and future transport systems is urgently needed. And the legalization of free construction should also be tackled.

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<sup>9</sup> World Bank Operations Evaluation Department ( 1998 ) .

## Chapter 7. Health Care

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### 1. Aid Implementation System for Mozambican Health Sectors

Following the devastation of twenty years of civil war, health sector in Mozambique are in the process of improvement with assistance from a variety of aid agencies. In comparison with neighboring nations, the state of health in Mozambique is still appalling, and there is a grave lack of development of systems to provide health services. Mozambique is in a unique situation in that total aid averages around \$100 million annually, and aid finances 90% of the total health budget, including the current budget. Many people, however, feel high hopes for the future of the Mozambican people's future.

The improvement of Mozambique's health sector is being conducted under the basic framework of the Health Sector Recovery Program (HSRP) (1996–2000)<sup>1</sup>, financed by the World Bank, in connection with other programs and projects by other aid agencies. There are many elements worth noting here in the aid implementation format in the Mozambique health sector with an overwhelming proportion of aid funds. One unprecedented element is the initiative which aims for a coordinated management system for sector funds known as the Sector Wide Approach process (SWAp)<sup>2</sup>. Liaison between aid agencies and aid coordination is making progress, along with a framework for this, and aid funding covers not just the capital goods proportion of the Mozambican health sector, but also the majority of the current budget. In the meantime, aid coordination is making progress, the debt management system is at least starting to take some form, and with the administrative system gradually coming together, coordinated management and functions are being systematically developed for aid funds, as appear below. Regular fine adjustments are also made to the framework at the same time, indicat-

ing the efforts being made to maintain a consensus, which is no easy task<sup>3</sup>.

#### 1–1 Sector policy and strategy

Policy and strategy in the health sector take the form of the Health Sector Recovery Program (1996–2000) framework, and are implemented in conjunction with the programs and projects of other aid agencies. Underlying the policy are the following strategies and specific programs to boost the response to improving the inequity in health services and the response to the poorest in society: (1) increase the provision of health services, heighten quality, and increase access to health services<sup>4</sup>; (2) improve operating and management systems for health programs and services; (3) improve the caliber and ability of staff involved in health services; and (4) move ahead with aid coordination, and implement discussions from the perspective of current SWAp and pooling arrangements<sup>5</sup>.

#### 1–2 Earmarked budget support<sup>6</sup>

Earmarked Budget Support prescribes determinations on earmarked use (related to primary health care–PHC) of health budgets, and was originally based on funds from the Swiss government and UNICEF, and managed by provincial Health Bureaus. Up to 1997 the equivalent of \$5 million had been earmarked for the programs of other aid agencies, but this budget is now expanding due to the participation of several other donors. The scope of applications of this budget is broad, including most working budget items and hospital management items.

In making this agreement, management of the budget by provincial Health Bureau was made possible based on agreements regarding the execution of Ministry of Health sector policy and the distribution of the budget, and because they were in line with the policy of decentraliza-

<sup>1</sup> World Bank (1995).

<sup>2</sup> Ministry of Health (1996), Ministry of Health, Technical Advisory Group (1998), Ministry of Health (1999).

<sup>3</sup> Ministry of Health (1999).

<sup>4</sup> Policy objectives to 2000.

1) Up to 80% of the population to receive DPT vaccinations.

2) Rectify geographical disparities in services.

3) Ensure 90% of health posts/health centers have necessary drug kits.

4) Ensure 90% of health posts/health centers are manned by trained staff.

<sup>5</sup> UNDP (1996).

<sup>6</sup> *ibid.*, SDC (1999).

tion to provinces and districts. Agreement on the earmarking of health budgets was the first step in achieving policy coordination on aid funding. It was also thought to have become the basis for the common pooling system. In order to achieve the coordinated distribution of funds, this mechanism is vitally important in standardizing work procedures.

### 1-3 Frequent coordination meetings and a lead donor agency

Frequent Coordination Meetings were commenced in 1992 under the initiatives of Swiss government, and have gradually grown in scale. First were efforts for joint cooperation in bringing about as great a recovery in, and development of, the health sector as possible, while sharing relative information with the Ministry of Health of the host country and with other aid agencies. Support was given for funding, materials and technology for this to ensure institutional capacity building needed in the Ministry of Health and related organizations.

A Coordination Unit was also established in the Mozambican Ministry of Health, and a system for coordination meetings put in place. While the general view is that this kind of function would soon diminish into a mere formality, in the case of Mozambique, it is expected that a system of regular donor meetings with real substance will develop given the existence of a function such as the Earmarked Budget Support ( the budget allocation scope of which remains limited ) .

Of interest here is the decision to have a Lead Donor Agency. Meetings are conducted under the leadership of both Mozambique and Switzerland, whereby the Mozambican Ministry of Health makes request to the Swiss government ( Swiss Development Cooperation: SDC ) for meetings, particularly those between donors. For this reason, it appears that the SDC takes on much of the work, such as deciding the management of the cost center, including drug and technical aid.

### 1-4 Province-based support programs <sup>7</sup>

Province-based Support Programs means that donor agencies( mainly bilateral aid agencies ) implements their own aid programs based on the geographical allocation. For example, Denmark is in charge of in Tete province and Finland in Manica. As the aid agencies only have

guidance roles, however, they do not have a monopoly on the areas, and this arrangement only covers the five provinces of a total of twelve provinces in which damage from the civil war is most serious. Doing so ensures that PHC support is being spread over priority districts. While the Province-based Support Programs have been criticized, in a somewhat exaggerated manner, by several Sub-Saharan countries as the "Balkanization of aid"<sup>8</sup>, there is a strong inclination in Mozambique to regard such programs positively at the provincial level for their functional coordination. It would be safe to assume that such criticism is actually directed at examples up until now in which liaison and coordination has been difficult.

### 1-5 Joint procedures

An agreement was made that, as of 1995, common procedures were to be used in technical assistance ( particularly training programs ) , drug pooling arrangements and joint auditing. The regular coordination meetings were bearing fruit, and goals were set for the sharing of joint information systems, standardization of debt management procedures, improving the accountability and uniformity of debt management, and the formation of a solid debt management system. Joint auditing is conducted by an auditing company, and this system is already in its fourth year. Although the ideal aim is to jointly manage the funds of the participating aid agencies ( funds basket ) , flexibility is trying to be brought to the system in which indirect aid can be received with a partial basket format, or in accordance with common policies and standards for agencies unable to participate in the funds basket.

Pooling arrangements for technical assistance and drugs are being partially introduced based on the idea of standardizing management procedures, and it is said that, as far as the pooling of drugs alone is concerned, the system is working rather well. This is an example of a new, integrated and highly accountable system. The Ministry of Health is seeking for the systematic constraints of the aid agencies to be removed for donors unable to join the scheme.

### 1-6 Integration of vertical programs

MCH, the Expanded Program on Immunization ( EPI ) , infectious disease control, environmental preservation,

<sup>7</sup> Ministry of Health, Technical Advisory Group ( 1998 ) .

<sup>8</sup> DIFD ( 1998 ) .

mental health and other policy issues, known as special programs, have doubled up with the field work of many donor agencies, and are being implemented virtually without horizontal liaison, giving rise to concerns regarding coordinated management. For this reason, all special programs are called “integrated programme” in an attempt to strengthen liaison. In this way, the aid modality in Mozambique’s health sector under SWAp provides a good example of steady progress without any loss to the sector’s motivation and initiative.

#### 1–7 Technical Assistance ( TA ), drug imports and pooling medical equipment

Agreements on the pooling of both Technical Assistance ( TA ), and drug imports and medical equipment were concluded in 1995. The former is known as the Pooling Arrangement for Technical Assistance ( PATA ) , with funding provided by Switzerland, the Netherlands and Norway under the operations management of the UNDP<sup>9</sup>. Evaluation of the arrangement conducted in July 1997 was complimentary towards the management. An important achievement from the provision of operating costs under PATA is that the activities of various donors and the Mozambican Ministry of Health are now in tune with each other. Flow-on effects have also been significant, and it has been pointed out that liaison is also taking place with TA, an area not actually included in the pooling. A pooling system for scholarship funds from PATA is also being considered. In this way, the basis for policy coordination through aid coordination has gained even greater credibility.

On the other hand, the pooling of drug imports and medical equipment has not progressed to the degree that PATA has, with the volume handled through the drug pooling about one-third of the entire volume supplied through aid. As to funds pooling for drugs and medical equipment, the funds of each of the aid agencies remain in their respective bank accounts, and plans for tenders, monitoring, payment and other integration have only just commenced.

#### 1–8 The Sector Coordination Committee ( SCC )

The SCC is the pivotal forum in this aid coordination systems, and facilitates the exchange of information, adjustments and dialog. It is, in fact, the promoting body

for the development of SWAp, and has produced results in coordinating the aid input of aid agencies not participating in funds pooling.

- The SCC has an office in the Planning Technical Unit of the Ministry of Health.
- “The National Health Policy and Strategic Plan, 2000–2005”, presents a basic framework for aid coordination.
- The Ministry of Health will formulate annual plans and budgets to ensure the execution of the strategic plans. The annual plans and budgets will be deliberated upon by SCC half-yearly.
- The SCC will establish working committee to implement adjustment and coordinating duties in respect of drugs, etc.

Although Malawi, Zambia, Ghana and other countries apart from Mozambique are known to have SWAp in the health sector, judging from the framework alone, Mozambique probably has the most systematic format of them all.

Until around 1994, when the SWAp framework took shape, funding from donors flowed into the health sector through a variety of routes. Aid funds were intermingled with the funds of the government of the host nation in an unaccountable, unplanned and chaotic manner. Even before discussions on the formation of SWAp, the Ministry of Health was aware of the need to be able to trace aid funds and relate them to policy objectives, and of the importance of pooling aid funds in the areas of technical assistance and drugs. For this reason, the proposal for the pooling of budgets in relation to the SWAp framework formulation, was perceived as a natural and logical progression by the Ministry of Health.

## 2. Health Sector Policy and Performance

As previously mentioned, health sector policy and strategy is formed under the framework of “the Health Sector Recovery Program ( HSRP ) ( 1996–2000 )”, and implemented in conjunction with the programs and projects of other aid agencies, the basic objectives of which coincide with the project objectives of the HSRP. This policy and strategy is contained in a policy paper which clearly features “From Projects to Program” as a

<sup>9</sup> UNDP ( 1996 ).

subtitle<sup>10</sup>.

Officials of the Ministry of Health seemed to be fully versed in the problems arising from excessive projectisation of the health sector in numerous low-income developing nations, starting with the African nations ( Sub-Saharan Africa ) . Problems with excessive projectisation include the following: ( 1 ) erosion of enthusiasm towards the creation of comprehensive, uniform health sector policy; ( 2 ) the multitude of management regulations brought into each project has made the fragmentation of management in the ministry of Health and related organizations a structural component, with no strengthening, but rather a weakening of institutional capacity, no progress on rectifying resource distribution, and no progress in policy analysis of the overall sector, leaving problems to be addressed on an individual basis; and ( 3 ) this kind of fragmentation of the health resources management system is hindering the development and fortification of a health sector system with long-term coordination and systematic capacity.

Action is being taken in the Government of Mozambique to strengthen the aid coordination mechanism to make the SWAp framework more effective. The Ministry of Health is particularly trying to further encourage the integration of vertical programs, which has been lagging in terms of link-ups to this point.

First of all, lateral links will be established in MCH, EPI, school health and other programs, where there have been none to the present, within the scope of province-based aid projects.

The second goal will be to standardize the supply systems and logistics chains for drugs and medical equipment introduced for control programs for various diseases.

Third on the agenda will be to create uniform in-service training, training materials and treatments in PHC treatment services, which have been introduced in a disorderly manner along with many programs.

Viewing the sector-wide approach as something to “finance a vision” to begin with, the Mozambican Ministry of Health has adopted a mid-to-long term stance, persevering with its endeavor to create an effective coordination system for health resources. The Ministry is tackling the issue of simplifying and rationalizing Ministry management procedures as follows;

( 1 ) Ensure sufficient liaison with the Ministry of Plan-

ning and Finance. Close attention will be paid to the introduction of a joint monitoring system, and how it will affect the budget management system. The Proposal on Management and Accounting of Budgetary Support has also been drawn up and is scheduled to be submitted at coordination meetings.

- ( 2 ) Calls are being made for decentralization to produce a management system in which actual evolution is possible, rather than it just being limited to administrative decision-making. At present, the introduction of technical aid and information systems has begun at the regional level. There is also great urgency for the formulation of detailed health sector development plans in the central government, provincial governments and districts.
- ( 3 ) While there is still only partial introduction of pooling arrangements for technical assistance and drugs, as mentioned previously, this in itself is progressing well, and advances are being made in coordination within the Ministry of Health to allow this mechanism to develop as a highly accountable system.

### 3. Limitations of Project-type Approaches and Aid Coordination

There is a gradually broadening recognition of the assessment that project-type assistance has contributed little to the formation of health systems with independent developmental capability in low-income developing nations and poorer countries such as African nations ( south of sub-Saharan Africa ) . Summarized below are the general problems that have emerged when aid intervention has become projectisation of the health sector.

- Over-emphasis on projects has eroded the enthusiasm towards comprehensive, uniform health sector policy formulation.
- The multitude of management regulations ( payment, procurement, fiscal year, etc. ) brought into fragmentation and weakening of management system in the Ministry of Health and related organizations, with no strengthening, but rather a weakening of institutional capacity, no progress in rectifying resource distribution, and no progress in policy analysis of the overall sector, leaving problems to be addressed on an individual basis.

<sup>10</sup> Ministry of Health ( 1996 ) .

- This kind of fragmentation of the health resources management system is hindering the development and fortification of health sector systems which form the basis of development with long-term coordination and systematic capacity.

The weakness in consistent sector policy and in implementing it in recipient countries is also a factor which has allowed disconnected projects to easily dominate the health sector. Also hampering the mitigation of the problem is the persistent belief of other aid agencies in the priority of their own respective interventions. Development aid was a unique situation in which it was difficult for negotiations to be conducted with both sides, in principle, standing at the same level, such as a buyer and a seller in a market. In reality, the poor nations, who constitute the buyers ( the aid recipients ), have virtually no bargaining power in respect of the sellers ( the aid agencies ) .

The predominant aid modality in the health sector up to this point has been project-type aid. As has already been pointed out, however, in low-income developing nations, which are the recipients of this kind of aid, government budgets ( particular current budgets ) are sometimes very tight, and because various kinds of project-type aid has been provided in an uncoordinated manner, there also tends to be a lack of funds to maintain these projects. The result has been failure to achieve the initially anticipated developmental effects, and in more than a few cases, facilities and equipments incorporated in projects have rapidly fallen into a state of disrepair.

#### 4. Basic Framework of SWAp

##### 4-1 The SWAp concept

The first prerequisite for SWAp is a framework for sound macro-economic management and comprehensive financial expenditure. Following this is the creation of a system for sharing goals by the major actors—namely, the aid-recipient country, donors and NGOs. SWAp is a mid-term cooperation program for development projects. By incorporating all factors into the program, such as sector policy and strategy, available human resources and financial expenditure plans, and the establishment of a management system for the aid-recipient and the donors, agreement can be made on joint management and system reform, and capacity building promoted.

- ( 1 ) First, conventional donor-guided project formats are given more objective coordination by donors respecting the sector policy and strategy, available human resources and fiscal expenditure plans.
- ( 2 ) In many Sub-Saharan nations, a correlation is established between sector policy and strategy and fiscal expenditure priorities. The components of specific systems required for achieving goals are clarified and realized when setting sector targets. There is to be no more of the vague approach based on the idea that “these shall be the prerequisites in the input of aid funds” seen up until now.
- ( 3 ) Once the sector policy and strategy have been formulated and the management function for these strengthened, more donors will utilize the government systems of the recipient country in the disbursement of aid project budgets.
- ( 4 ) Development resources from donors will come to be managed through the systems of the host nations, such as fiscal management, monitoring systems, and procurement procedures. In doing so, it will be crucial to create an environment in which the subsystems of the health system are inter-linked. The sharing by the donors and the recipient country of responsibility for human resources available and fiscal expenditure plans in the sector, and for results in the sector, is arguably a central objective of SWAp.

Given these characteristics, SWAp is a system that will progress gradually. It is hoped that both the recipient country and donors will be patient in developing further confidence in, and contributing to, this framework of coordination. More important than anything in this is heightening the degree of flexibility in the respective aid project procedures of each donor, and gradually improving the capabilities of the recipient country<sup>11</sup>.

##### 4-2 Agreements for joint management

The objective in changing from individual projects to SWAp is not simply to harmonize donor aid projects, but to also forge a system in which donors use the various systems of the recipient country ( fiscal management, monitoring systems, procurement procedures ). A central concept of SWAp is the shared responsibility between donors and the recipient country for the results achieved

<sup>11</sup> Ministry of Health ( 1999 ) .

in the sector.

- (1) Instead of an approach in which achievements of specific project goals are attributed to inputs by each aid agency, the results of each input are perceived as a mutual effort from the perspective of achieving a shared, agreed goal in the sector.
- (2) The management system of the government of the recipient nation will be strengthened, and the use of funds and performance criteria correlated in order to ensure fiscal accountability.

#### 4-3 Institutional capacity building and SWAp

Another indispensable element of SWAp is increasing the ownership by the government of the recipient country. While control of the sector by the host government should be boosted, incentives for this are frequently unclear. The promotion of SWAp is hindered by the limited capacity of the systems of the recipient country which unavoidably creates a need for monitoring and scrutinizing by aid agencies. For this reason, the government of the recipient country nation must undertake the following major elements from the outset.

- (1) Improve government capacity for sector development based on strategy formulation, and policy and budget analysis.
- (2) Formulate system and incentive structures for the government and private sectors to enable management of health services in line with national policy.
- (3) Establish agreements on joint management by donors and the government of the recipient country.

### 5. Japan's Bilateral Assistance and the Response to SWAp

The following will probably be the Japanese government's views in response to SWAp. In terms of the means to realize the process in aid coordination and sector programs while sharing objectives, the same means and form of aid as other donors need not necessarily be relied on as far as maintaining coordination between the development policy of the recipient country and the aid activities of other donors. Japan's response should be based on appropriate assertion of Japan's characteristic and comparative advantages<sup>12</sup>.

If the focal elements of SWAP are broadly divided into

(1) the sharing of sector policy, and (2) the common basket, at the very least Japan should actively contribute knowledge to the former, especially in the formulation of policy. The "Appearance of Japan" should be visible by doing this. In finalizing policy details, however, it is anticipated that some contradictions and points of contention will also emerge with the framework of Japan's aid administration. This should, however, be seen as a mid-term aid issue in itself, and all efforts made to avoid viewing this matter in a short-sighted manner.

The reason for this is that SWAp's goal is not merely to have a format in which there is general coordination based on policy and aid funds pooling. Coordination at the policy level of sector development does not stop at a highly abstract level, but also includes finer adjustments at the strategic level. In order to achieve coordinated functioning of the various sub-systems within the sector, management systems are put in place in the relative government ministries and offices, and a mid-term approach taken in creating systems for the comprehensive management of aid funds to ensure the efficient functioning of the administrative framework.

Therefore, even if coordination were maintained at a highly abstract level, it is expected that there will be areas in which contradictions and conflict will arise in the finer adjustments at the strategy level between the aid regulations of Japan on the one hand and the development policy of the recipient nation and the aid activities of other donors on the other. Japan will not be able to simply write these off with the line "we need not necessarily rely on the same means and aid formats as other donors". Given this, a need will emerge to work out the dimensions of coordination at the policy level to a point which incorporates the functions of sub-systems. Not being a financial agency, it is certainly difficult for JICA to participate in the common basket, but there is ample room for JICA to contribute as a provider of aid funds, either "in kind" or in the form of technical cooperation.

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<sup>12</sup> Refer to Section 3. of this report.

Table 7-1 SWAp Components

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| <p>( 1 ) Comprehensive policy and strategies for the sector are shared by the government of the recipient country and aid agencies.</p> <p>( 2 ) Plans for required resources for the sector ( the existence of a framework for multi-years of expenditure ) .</p> <p>( 3 ) Establishment of a framework for shared management in line with the systems of the recipient country.</p> <p>( 4 ) Effective incorporation of various financial contribution schemes ( sector budget support, sector investment program, pooling arrangements ) and aid with specific procurement conditions under a system of inspection, monitoring and assessment based on common standards to efficiently distribute resources.</p> |
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Table 7-2 Development of a Systematic Environment for the Promotion of SWAp

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| <p>( 1 ) Macro-economic stability.</p> <p>( 2 ) Ensure accountability of government budget accounting systems and clarity of connections between related activities, and development of basic conditions for pooling arrangements for aid funds.</p> <p>( 3 ) Formulation of comprehensive programs and strategies for each sub-sector as well as overall policy for the health sector.</p> <p>( 4 ) Strengthening of regionally-based support systems through decentralization of public sector management and programs and strategies.</p> <p>( 5 ) The creation of an aid coordination system between aid agencies in the recipient country.</p> <p>( 6 ) Development of common inspection, assessment and auditing systems for funds between aid agencies.</p> <p>( 7 ) Preparation of a system which enables the comprehensive and accurate management of information.</p> <p>( 8 ) The following series of measures must be undertaken from the point of view of implementation.</p> <ul style="list-style-type: none"> <li>• Regular meetings ( quarterly ) between the Ministry of Health of the recipient country and aid agencies.</li> <li>• Pooling of a certain proportion of aid funding as working expenses ( recurrent costs ) for activities at the regional level.</li> <li>• Technical cooperation and the introduction of drugs and other consumables to be conducted within the framework of the basket fund.</li> <li>• Reorganize vertical programs into sub-sector programs.</li> <li>• Boosting of budget planning and management, and auditing capabilities.</li> <li>• Promotion of integrated inspection, monitoring and assessment.</li> </ul> |
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## Annex I. Fiscal 1999 Economic Plan and Health Care Policy

( Translated into Japanese by Task force Yazawa )

### 1. Policy Objectives

The primary objective in the field of health and medicine is the prioritized expansion of access to services in areas with disadvantageous conditions in which the large-scale construction and regeneration of health and medical infrastructure is desired. Under this objective, various policies will continue to be implemented. At the same time, the same amount of attention is paid to improving the quality of services provided, with continuing education of health and medical specialists to achieve this. Other objectives are improvement of the planning and management system, and the appropriate supply of drugs, surgical equipment, and diagnostic and treatment tools.

In this context, endeavors in the health care field are being undertaken along the following directions.

- 1) Improve the management, operations, planning and proposal system for medical programs and services in order to ensure the effective and equitable provision of high-quality health services to the people.
- 2) Disseminate, and broaden access to primary health care with the priority on groups and rural areas exposed to serious risks in order to rectify regional disparities.
- 3) Prescribe quality standards for health and medicine and establish implementation and management methods.
- 4) Continue endeavors to develop medical specialists and improve their capabilities in order to boost the quality of services provided to the people.
- 5) Improve the working and living conditions of people working in the health and medical field, particularly in rural areas.

### 2. Provision of Health Care Services

In terms of the sphere of the provision of health services, the National Health Service ( Servico Nacional de Saude: SNS ) has been expanded, and is becoming more equitable. It is also moving in the right direction regarding not only the level of activities, but also cover.

The total volume of SNS activities in fiscal 1999 is, as shown in the following table, expected to have increased by 6–9%.

Table 7-3 Trends in health sector activities

Activity/Index	Results 1997	Estimates 1998	Plan 1999	98/97 ( % )	99/98 ( % )
No. of consultations ( unit: thousand )	51,109	56,543	59,936	10.6	6
No. of consultations per capita	2.78	3.34	3.46	20.1	3.6
House calls ( unit: thousand )	9,171	9,936	10,867	8.3	9.4
No. of house calls per capita	0.5	0.59	0.63	18	6.8

Source: MISAU/DNPC.

Also slated for implementation in the area of health care services are the following measures.

- 1) Continuing registration and accreditation of health specialists and private sector organizations.
- 2) Support for non-profit private sector organizations, and private sector organizations conducting activities in disadvantaged areas in order to broaden access to health services.
- 3) Implement regular inspections of private sector health agencies in order to ensure the quality of services provided.
- 4) Expand the new radiation service network and blood bank network so that all level 2 health agencies are covered.

### 3. Maternal and Child Health and Adolescent Health

A multitude of policies are included in the National Integrated Program for Maternal-infant Health and Adolescent Health, which primarily seeks to reduce the rates of disease contraction and mortality among mothers and infants and adolescents, and the rate of disease contraction among children of school age and adolescents, while encouraging the practice of behavior required in daily life to ensure a healthy life.

#### ( 1 ) Maternal-infant Health and Family Planning

The Program for Maternal-infant Health and Family Planning is expected to implement a comprehensive, high-quality prevention and treatment service for women,

infants, school children and adolescents, as well as endeavor to gain community involvement in promoting health. The following measures are slated for the maternal sector.

- 1 ) Program coverage is to be raised to reduce the mortality rate of pregnant women, the number of stillbirths, and the number of infants dying due to premature birth, asphyxia and low body temperature in hospitals.
- 2 ) Reduce the rate of disease contraction and mortality of pregnant women in rural areas through improved capabilities of traditional midwives, training and notification to medical agencies of dangerous cases.
- 3 ) Encourage strong participation by women in basic reproductive health care, and in other activities such as education, information and counseling regarding the risks of pregnancy and birth, symptoms of disorders and family planning.

Table 7-4 Trends in the rate of cover in SMI/PF programs ( 1997-1999 )

( unit: % )

Index	1997 Results	1998 Estimates	1999 Plan
<b>Mothers</b>			
Prenatal consultation	72	74	85
Hospital birth	31	36	36
Postnatal consultation	32	51	51
Family planning ( new users )	6	7	7
<b>Infants</b>			
Initial infant consultation ( 0-11 months )	101	95	95
Initial infant consultation ( 0-4 years )	40	44	45

Source: MISAU/DNPC.

## ( 2 ) Infant Sector

In this sector the focus is on the eradication of tetanus and polio in new-born babies, a marked drop in the occurrence and in-hospital mortality rate of measles, and maintenance of consultation cover levels for special target groups.

Through the vaccination of infants from 0-23 months, younger school age children and women in their child-bearing years ( 15-49 ) under the Expanded Program on Immunization, a variety of measures are being intensively conducted in order to achieve the objective of mitigating the occurrence and spread of diseases against

which vaccination is possible. It is also anticipate that infant tetanus and polio will be eradicated and vaccinations against hepatitis B will be introduced.

Table 7-5 Trends in PAV cover rate ( 1997-1999 )

( Unit: % )

	1997 Results	1998 Estimates	1999 Plan
BCG	84	87	92
Measles	70	82	82
DTP/polio - triple administration	63	70	70
Tetanus - double administration ( pregnant women )	35	48	48
Tetanus-double administration ( women of child-bearing age )	5	22	10

Source: MISAU/DNPC.

## ( 3 ) School Health and Adolescent Health

Endeavors in the following direction are to be taken in the areas of school and adolescent health.

- 1 ) Keep the discontinuance rate between the first and second administration of the vaccination against tetanus ( VAT ) to below 20% in school age children.
- 2 ) Reduce the level of prevalence of general oral diseases among school age children and adolescents.
- 3 ) Formulate measures to ensure at least 50% of children over the age of twelve in schools encompassed in the program can gain knowledge regarding the prevention of sexually transmitted diseases ( STDs ), AIDS and pregnancy and general health care.

## ( 4 ) Nutrition Program

In order to contribute to the improvement of the nutritional state of the people, particularly those in the most vulnerable group, namely pregnant women and infants under five years of age, the prevention and treatment of trace nutrient deficiency will continue, with the following measures to be implemented in fiscal 1999.

- 1 ) Clarify standards for the implementation of measures regarding nutrition especially for people in a serious state.
- 2 ) Conduct research into trace nutrient deficiency ( iodine, vitamin A, iron ) and other nutrition related conditions and establish strategies to eradicate them.
- 3 ) Continue activities within the country to map areas of food and nutrient deficiencies.
- 4 ) Continue work to collate district food and nutrition profiles at the regional level.

#### 4. Measures Against Epidemic and Endemic Disease

As regards the epidemic warning system, the collection and analysis of data about epidemic diseases will continue to be encouraged, as will endeavors to enforce compulsory notification at all levels through a weekly epidemic bulletin ( BES ).

Slated for implementation under the Program for the Eradication of Major Endemic Disease are measures to improve indices relating to the level of cover of the program, and indices regarding the diagnosis of diseases which constitute health risks to people, specifically malaria, diarrhea, sexually transmitted diseases and AIDS, tuberculosis and leprosy.

#### 5. Management and Financing of the Health Care Sector

In the management and financing of this sector, while the vulnerable and extremely poor will be protected to ensure their access to health care, at the same time various endeavors for cost recovery plan implementation currently underway will be continued in order to increase the income in health through amendment of consultation fees and hospitalization fees.

Preparatory research is also being continued with the

aim of implementing community-based medical financing plans and introducing for health in respect of those benefiting from the social security system.

#### 6. Health Network and Infrastructure

Level one infrastructure construction, reconstruction and regeneration programs will continue in the area of expanding health networks and the infrastructure for those networks. Conversion from other types of infrastructure are included in the program as level 2. With the majority of works expected to be completed during fiscal 1998, it is expected that 240 new health care facilities will commence business in fiscal 1999, and the increase in beds and health posts will have a significant impact on hospital capacity and activity volume.

#### 7. The Development and Management of Human Resources

One of the basic objectives in health care is to improve the quality of health care assistance for the people. Given this, the following human resources development activities are expected to be conducted in accordance with the Human Resources Development Plan.

Table 7-6 Health care facility construction and rehabilitation plan ( Fiscal 1999 )

Category	No. of Existing Facilities		Work Scheduled			
	1997 Results	1998 Estimates	Implementation 1999		Implementation Scheduled	
			New Construction	No. of Rehabilitations	New Construction	No. of Rehabilitations
First ( health posts and health centers )	950	1,047	242	-	29	73
Second ( regional hospitals, general hospitals )	27	27	-	-	-	4
Third ( provincial hospitals )	7	7	-	-	-	3
Fourth ( central hospitals, specialist hospitals )	3	3	-	-	-	2
Workers' clinics	376	600	112	125	-	-

Source: MISAU/UNPC.

Table 7-7 Human resources development plan ( Fiscal 1999 )

Education Level		1998 Estimate	1999 Plan
Secondary	No of Entries	233	225
	No. of Graduates	120	84
Basic	No of Entries	290	350
	No. of Graduates	303	202
Elementary	No of Entries	95	---
	No. of Graduates	67	23

Source: MISAU/DNPC.

## 8. Support for School Health – Investment for Next Generation –

- Support for each citizen's health management
- Long-term effect by the support for health education and sustainable activities change
- Consideration for non-schooled children and lessons from past experiences

Though “the Critical Composition” confronting the health sector in Mozambique is quite serious, but it cannot be expected to solve these problems in a short-term by the progress of health reform.

Furthermore, assistances with longer perspectives are necessary for the sustainable improvement of health standard of Mozambican people. “School Health Program”, which is scheduled to spread to whole primary schools throughout the country as one of the BESSIP program. In the light of the comparative high school enrollment ratio, health activities through schools are regarded as an effective method to reach all citizens.

On the other hand, school health programs in the developing countries often emphasize collective prescription such as collective booster inoculation of preventive vaccines or cocktail prescription of anti-parasitic-worm, utilizing vaccines or medicines granted or cheaply provided by donors. But collective prescription of medicines only have temporary effect. In this regard, health education and “the Life Skills Education” should be prioritized to enhance sustainable changes of people's activities. More specifically, they should emphasize health programs targeting the knowledge transfer of health messages from health-educated primary pupils to their family members and the sustainable transformation of activities for health improvement of those who would be parents in

the future. School health programs introduced in some pilot schools in the primary health care project in Lusaka city in Zambia are good examples for future health development in Mozambique.

Some points should be fully considered regarding the School Health Programs. First, direct targeted groups for the school health program are those whose health risk are the lowest because of their age. In this regard, collective prescription of medicines approach cannot expect only a limited result. To justify the inputs for the School Health Programs, it is necessary to include influential effects as their objectives besides mere improvement of the pupil's health. Second, supports for the non-schooled children should be taken care of. As to the health needs, those who cannot go to school have serious health needs.

They are usually denied to have access to the general social needs besides education. Delivering effective health education messages or health services are the most important issues. Third, it is regrettable that cooperation projects which target long term effects are apt to avert in the recent aid trend in which short term cooperation effect are highly praised. In Africa, Japan has been implementing more than 20 years' cooperation projects for capacity building to many research institute such as the Noguchi Memorial Institute for Medical Research ( NMIMR ) in Ghana and the Kenya Medical Research Institute ( KEMRI ) in Kenya. Cooperation Activities targeting institution building or capacity building such as the School Health Programs should be carried out in a long-sustained effort.

Besides such general considerations, forth, some issues indigenous to Mozambique should be carefully considered. That is, in 1970, the full-scale school health programs were implemented in Mozambique. Some activities such as the collective booster inoculation of

preventive vaccines, group examinations or cures for major diseases, health education targeting the improvement of the knowledge, attitude and acts and the improvement of the school sanitation were included in the programs. Although regional imbalance were existed, the programs expanded to all primary schools in major cities and some primary schools in rural areas after 1976. However, the programs had only limited effects, and some activities of the programs stagnated because of the financial constraints. Consequently, it is necessary to review the factors which prevented sustainable effects besides the financial problems.

Anyway, cooperation approach to empower individual Mozambican people to enable themselves to manage their own health situations ( that is the basic policy of primary health care ) is inevitable. The School Health Programs can offer the most effective opportunities to such cooperation approach.

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## Chapter 8. Education and Human Resources Development

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### 1. An Overview of Education

The constitution of the Republic of Mozambique upholds education as a basic right and obligation of all the people of the nation. Until the conclusion of the civil war in 1992, however, it was difficult to provide the opportunity for education, with only around 40% of schools actually functioning at this time<sup>1</sup>. In the 5-year plan released in 1995, the dissemination of education is cited as a priority issue, defining it as “a central instrument for improving living conditions and for upgrading the technical and scientific level of workers”<sup>2</sup>. While the time frame of plans in the basic policy presented here is five years, the following overall objectives are set with a long-term vision of 10–15 years<sup>3</sup>.

- i ) Eradicate illiteracy in order to provide the population as a whole with access to scientific knowledge and to develop their overall capacities.
- ii ) Guarantee basic education for all citizens in accordance with the development of the country by gradually introducing compulsory education;
- iii ) Guarantee that all Mozambicans have access to professional training;
- iv ) Provide citizens with solid scientific, technical, cultural and physical training and with a high degree of moral, civic and patriotic education.
- v ) Train teachers to be conscientious educators and professionals with a profound scientific and pedagogical preparation, capable of educating children and adults;
- vi ) Train sufficiently qualified scientists and specialists capable of contributing to increased production and scientific research;
- vii ) Develop the aesthetic awareness and artistic capacity of children, adolescents and adults, educating them to love arts and appreciate beauty;
- viii ) Educate children, adolescents and adults in a spirit of peace, tolerance and democracy;
- ix ) Educate children and adolescents to prevent and fight against diseases, particularly AIDS and other sexually transmitted diseases.

The education system in Mozambique is divided into seven years of primary education, five years of secondary education and usually five years of higher education. Children begin their primary education at the age of six, with the first five years constituting level 1 ( EP1 ), and years six and seven known as level 2 ( EP2 ). These seven years used to constitute compulsory education, but it is no longer compulsory due to the 1992 amendment of the Fundamental Education Act. Despite this, it still remains the top priority in all levels of education and sectors. The five years from year eight to year twelve make up secondary education, with the first three years being referred to as the first cycle and the last two as the second cycle. Vocational education is divided into elementary, basic and secondary levels, and covers areas such as industry, commerce and agriculture. Those who have completed EP1 can undertake the elementary level, and those who have completed EP2 can participate at the basic level. Students who have finished the first cycle of the secondary education can advance to the secondary vocational level. The basic level functions as an alternative course to the general secondary education, with some 40% of first cycle students undergoing this kind of education.

### 2. Education—the Current Situation and Issues

#### 2–1 Primary and secondary education

The 1980s was a time in many African countries when the expansion of primary education stagnated. In Mozambique, the civil war impacted heavily to produce a particularly rapid fall in school attendance ratios. More than half of the schools in rural areas were destroyed during this war, leaving a chronic shortage of classrooms. Almost all primary and secondary schools conduct lessons in double shifts, and schools implementing triple shifts are not uncommon. In spite of this, however, the large number of children who enter school at an age higher than the usual starting age means that the real attendance rate ( approx. 40% ) is much lower than the gross enrollment rate ( 60–70% ). There are a mountain of issues which need to be addressed, not just in terms of

<sup>1</sup> Ministry of Education ( 1996 )p.39.

<sup>2</sup> Republic of Mozambique ( 1995 )p.12.

<sup>3</sup> *ibid.* p.13.

quantitative expansion, as evidenced by overcrowded classrooms and insufficient class hours in urban centers, but also in terms of the quality of the education.

As far as access to primary education is concerned, there has, in fact, been quite an improvement since the conclusion of the civil war. The number of classrooms in primary schools increased by more than 60% between 1992 and 1998 (particularly in rural areas) to exceed pre-war levels<sup>4</sup>. There are concerns, however, that the quality of education is not keeping pace with the rapid quantitative expansion, because of the high drop-out rate.

Primary education is positioned as the top priority in the education sector policy<sup>5</sup>. In enhancing access, attention needs to be paid to addressing the disparities between males and females, and between urban and rural areas. Consideration should also be given to improving the education environment and the phased introduction of an automatic promotion system in order to reduce the number of students repeating and dropping out<sup>6</sup>. The following are to be emphasized to improve quality: i) construction, rehabilitation and maintenance of school facilities; ii) provision of school equipments; iii) curricular reform; iv) pre and in-service training of teaching staff; v) incentives for improving the motivation of teachers; vi) printing, production and distribution of text books; and vii) other educational inputs for pupils and teachers<sup>7</sup>. Of these, the construction of educational facilities is a priority issue, with emphasis on low-cost school construction. Apart from this, there is also reference in the primary education policy to functional literacy programs and special education for the disable as non-formal education. Essentially the same policy as for primary education is adopted for general secondary education.

There is a broad recognition that quantitative expansion and qualitative improvement of primary education are priority issues in the field of education. For this reason it is necessary to conduct efficient qualitative improvement and quantitative expansion while maintaining a balance with the limited budget and resources. As mentioned earlier, there is a massive regional disparities in terms of education, and school enrollment ratios for girls are some 20–30% lower than those for boys. Double and triple shifts schools are common place, and with an

absolute shortage of lesson time, concerns are that the quality of education is being sacrificed. Learning is also being hampered in many cases in lower levels of education because lessons are conducted in a common language (Portuguese) which differs from daily languages.

Primary school teachers generally undergo two years of training after having completed the first cycle of secondary education (ten years of basic education). Discussions are underway about amending this two years of training to consist of one year of intensive training at teachers college followed by one year of practical experience in primary schools.

## 2–2 Higher education

Because limited educational resources are distributed to primary schools on a priority basis, the higher education sub-sector in Mozambique is currently in the midst of reform, as is the case in other African nations. The government's basic policy for improving the quality of education is to raise its economic efficiency, with a plan for the independent securing of income and collection of appropriate fees, rather than relying on public funds, and further plans to develop a legal structure for the establishment of private universities<sup>8</sup>. In this way, there will be a greater burden on the beneficiaries under higher education from which there is a high private rate of return, while policies will generally be adopted to ensure inequities do not occur in respect of economically disadvantaged students by creating a scholarship system.

While Mozambique has higher education institutions including the Eduardo Mondlane University and Pedagogical University, because only 20–30% of those entering are able to graduate it seems that the internal efficiency is rather low<sup>9</sup>. Although there are disparities between faculties, in two years from 1993, the overall number of students increased by around 30%. With some 29% of the education budget (1993) being earmarked for higher education, radical reform of this area will be essential for the dissemination of basic education.

## 2–3 Technical and vocational education

A priority in the development strategy for technical and vocational education is the re-opening of Arts and

<sup>4</sup> World Bank (1999) p. 12.

<sup>5</sup> Republic of Mozambique (1995) p.14.

<sup>6</sup> *ibid.* p.16.

<sup>7</sup> *ibid.* p.18.

<sup>8</sup> *ibid.* (1995) pp.37-38.

<sup>9</sup> Engineering Consulting Firms Association, Japan (1998), pp. 3-10.



Crafts and Basic Agriculture Schools. It is thought that these kinds of schools will play an important role in rural areas in the recovery of production and in the resettlement of residents<sup>10</sup>. This area shares many aspects with primary and secondary education in terms of policy, such as improved access which takes into consideration the situation of girls, and qualitative educational improvements in curriculum and facilities. There is a difference in that activities for school production and to earn an income are encouraged to boost finances<sup>11</sup>. In view of the considerable investment required in technical and vocational education, diversification of income through such means as contributions from employers and the collection of fees are required.

Around 30% of students at the secondary education ( first cycle ) level select vocational courses, which is certainly not a negligible proportion of the overall total. This area does, however, have a multitude of problems. Although technical education is relatively high on the government's list of priorities, problems abound, such as the significant cost and the fact that the content of the education does not concur with the needs of the labor market. The system still works on the premise of employment in the public sector, something currently being reviewed given that no programs are being created which reflect the employment needs of society. The program will likely be based on work in rural areas or self-employment.

The development of vocational and technical education is held back by a general lack of funds. Because problems of continuity and independence will arise if external funding is used in its development, a method needs to be introduced in which, among other things, earnings are generated in the manufacturing and repairs sector and assigned as part of the operating costs. Secondary effects, such as a sensitivity to the needs of society, can also be anticipated if this kind of connection is created.

#### 2-4 Vocational training

Vocational training under the control of the Ministry of Labor is given priority in policy in which self-employment is envisaged as an employment measure for returning refugees and former soldiers. The following items regarding employment and vocational training are put

forward as priority matters in the labor sector policy produced in 1997.

- i ) Creation of work opportunities and job creation programs in the formal sector, and promotion of self-employment in the sector not economically organized ( i.e. the informal sector ) .
- ii ) Vocational training for those groups with few labor opportunities, including youth, returning soldiers, returning refugees, immigrants, the disabled and women, and their integration into the labor force.
- iii ) Improvement of support measures for workers seeking work and employers seeking labor.
- iv ) Restriction of use of foreign workers and protection of Mozambican workers.
- v ) Encouragement of immigrant employment and promotion of new employment opportunities.
- vi ) Implementation of vocational training in line with labor market needs.
- vii ) Employment plans which favor regional residents and the introduction of vocational training.

It would appear, however, that the National Institute for the Promotion of Employment and Professional Training ( INEFP ), the authority in charge of vocational training, does not have the capacity to implement the various policies. The reality is that no more than a meager amount of training is being conducted at a few vocational training centers in Maputo City to develop technicians from among those who have received a basic education at the primary and secondary level. It is said that technical skills are effectively and efficiently developed primarily through the private sector, and it is the private sector that in fact is currently using the premises of the aforementioned vocational training centers to conduct training using externally sourced instructors and required materials.

#### 2-5 Non-formal and adult education

The Mozambican government is well aware of the importance of support in the area of education for returning soldiers following the civil war<sup>12</sup>. While it appears that some literacy campaigns are being conducted, it would be appropriate to combine literacy with vocational training to gain skills that will lead to employment oppor-

<sup>10</sup> Republic of Mozambique ( 1995 ) pp.28-29.

<sup>11</sup> *ibid.* p.33.

<sup>12</sup> International Development Center of Japan ( 1999 ) p. 166.

tunities and self-employment. Also important is the establishment of a follow-up system to assist in starting businesses and creating employment. Such education also needs to be made available to youth who were unable to have the opportunity of receiving an education due to the civil war. There are also many problems requiring a political solution, including the link between school education and non-formal education such as adult education, and the selection of the teaching language/s. While the adult illiteracy rate is 59.9% overall ( 1995 estimates ), as there is a considerable gap in the figures for males and females ( 42.3% and 76.7%, respectively ) the emphasis will need to be placed particularly on females in the formulation of plans<sup>13</sup>.

The fact that adult education receives a tiny budgetary allocation, despite its high priority in policy, heightens the importance of organizing existing resources to ensure their most effective use. Existing public primary and secondary schools, for example, are also being used for night classes, mainly in Maputo City, giving literacy education a more “formal” format<sup>14</sup>. The reactivation of the National Institute for Adult Education should be considered<sup>15</sup>.

### 3. Direction of Aid

#### 3-1 Aid issues

##### ( 1 ) Quantitative expansion and qualitative Improvement of Primary Education

In quantitative terms, the dissemination of primary education is proceeding at a rapid pace. Primary school classrooms destroyed during the civil war have been quickly repaired or newly constructed. The problem now is that the quality of the education is being compromised by the swift expansion of education. This means that, along with the continued quantitative expansion of access, consideration will need to be given to means of improving the quality of education. This is an extremely difficult task, so naturally the very best use will have to be made of the limited resources, and the government will have to create schooling that is attractive enough for local residents and parents to be willing to directly bear a certain amount of the cost involved.

##### ( 2 ) Rectifying regional and gender disparities

From the perspective of equity also, improvements need to be made concerning the disparities in the quality of education that can be received stemming from social, economical and geographical factors. The rectification of school attendance disparities between males and females, in particular, is a major problem which needs to be fully considered at all levels of education, not just at the primary level<sup>16</sup>. Not only school enrollment, but also the quality of education requires consideration in order to rectify regional differences.

##### ( 3 ) Implementation of vocational education and training in line with industry demands

Rather than being conducted based on employment needs surmised from future policy perspectives and economic growth, vocational education and training must develop human resources which can flexibly respond to the actual labor market. Given the current situation in Mozambique, the emphasis should be placed on creating a basis on which re-training and re-education can be efficiently undertaken in future continuing education, rather than base assumptions solely on self-employment and employment in the informal sector.

##### ( 4 ) Absolute insufficiency of the education budget

Mozambique relies on external aid for 70% of the education budget, and it goes without saying that this proportion will have to be reduced in the long-term from the standpoint of independent development. Nonetheless, the government should examine the flexible bearing of local costs as necessary in the mid- to short-term, while making efforts for self sufficiency. Considering that many of the aid agencies bear these costs, the selective bearing of expenses essential for the overall implementation of projects should be considered.

#### 3-2 Sector Investment Programs

Sector Investment programs play a vital role in the efficient management of development aid in the African region. Aid agencies have been trying to coordinate efficient implementation of aid in each field which had previously been conducted by aid agencies on an individual basis. Sector Investment programs involve a policy for

<sup>13</sup> UNESCO ( 1998 )p. 124.

<sup>14</sup> Aoki, A and Lauglo, J ( 1999 )pp. 7-9.

<sup>15</sup> Ministry of Education ( 1999 )p. 5.

<sup>16</sup> Walker, B.M. ( 1998 ).

development aid implementation in which agreement is reached between the aid agency and the government of the recipient country, and the emphasis placed on coordination of the aid agency's activities under the management of the recipient government. There are more than a few problems in the education sector programs, however, and because many of the African nations have limited experience or ability in implementation, the government and the aid agencies will have to make further efforts in order to achieve the desired results. This, however, is accompanied by a certain degree of risk<sup>17</sup>. Although many aid agencies, including Japan, are aware of the difficulty of implementing aid within the framework of the Sector Investment Programs, their basic stance is to cooperate with and support such programs<sup>18</sup>.

The Education Sector Strategic Plan (ESSP), implemented since 1999 in Mozambique, aims to expand education opportunities, improve the quality of education, and boost management ability<sup>19</sup>. In the first fiscal year of 1999, six working groups (education quality, access and gender, non-formal education, technical and vocational education and training, finance and management, and institutional development) were established, and a seventh group (higher education) is now in the process of being formed<sup>20</sup>. Lessons learned from the experiences of the Ministry of Education at the time of the May 1999 ESSP review meeting were: i) the importance of internal dialogue within the Ministry of Education and with other organizations at all levels; ii) the importance of maintaining dynamic dialogue with other government ministries for the promotion of implementation; iii) the efficiency of broad-consultations with civil society in order to achieve an acceptable degree of consensus; and iv) greater effectiveness is required in the consultative and collaboration mechanism between aid agencies and the Ministry of Education<sup>21</sup>.

In light of the fact that Mozambique relies on external aid for 70% of its education budget, the introduction of this type of program in coordination with aid agencies is unavoidable in efficiently developing education, enhancing the ownerships of the Mozambican government. Japan's active involvement in this program will be of the utmost importance in identifying areas in which to pro-

vide assistance in the field of education.

### 3-3 Aid approaches

#### (1) Active involvement in Education Sector Programs

The assumption is that Japanese assistance should be conducted within the ESSP framework. Although the Sector Investment Programs now being introduced into African nations are generally complex and rather inflexible, in the case of Mozambique, the inclination is towards more pliant responses, including standardization of implementation methods. This means that conventional project-type aid will not necessarily be out of the question if it is effective and efficient. Japan needs to boost its presence by not simply observing the state of progress of ESSP, but actively participating and providing information.

#### (2) Development of primary and secondary education through pre-service and in-service training of teachers

An example of assistance in the education field is the Chibutuine Teacher Training College Reconstruction Project funded by Japanese grant aid in 1997. This school was re-opened in 1999 and appears to have gained a reputation for the quality of the construction and its on-time completion. Suitable assistance for this kind of teacher training college would include technical assistance rather than just grant aid.

There are great expectations of counterpart training in Japan as a form of technical cooperation, and given the relatively high chance of being realized as an intangible form of assistance, cooperation may also be provided in such areas as promoting education for females and in school management. Another possibility is the dissemination of basic knowledge regarding public sanitation, including health, in school education.

#### (3) Support for private sector-led vocational training

It would be difficult to say that the present vocational training by Mozambique Government in an effective and

<sup>17</sup> Jones, J.S. (1997)p. 1.

<sup>18</sup> Yokozeki, Y., (1999)p. 109.

<sup>19</sup> Ministry of Education (1998)pp. 3-4.

<sup>20</sup> Ministry of Education (1999)p. 3.

<sup>21</sup> *ibid.* p. 4.

efficient manner. The absence of aid agencies providing substantial assistance in the area at present also speaks of the problems in tackling this matter. The basis should be government assistance of vocational training led by industry. Emphasis must be placed on linking up with the private sector in terms of technical and vocational education also ( under the supervision of the Ministry of Education ) and measures which will enable even a small amount of independent development should also be considered.

#### ( 4 ) Considerations for returning soldiers, refugees and other adults

Providing the opportunity for an education to adults and youth unable to receive appropriate educational opportunities during the civil war is of great importance. Envisaged is integrated educational support which encompasses not only vocational training outside schools, but also primary and secondary, and technical education. Rather than simply providing one-off opportunities for education, it is vital that assistance be based on a concept of lifelong learning which enables progression to more advanced levels of schooling in accordance with ability.

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## Chapter 9. Infrastructure and Energy

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### 1. Overview of Transport Infrastructure

#### 1-1 Background

The present state of Mozambique's transport infrastructure is characterized by its history during the colonial period and the transport network with the neighboring countries. In the colonial era, efforts in transport infrastructure development were focused on routes to link inland countries in southern Africa with the Indian Ocean coast, thus internal links such as north-south transport routes remained undeveloped. The majority of external aid during the civil war was concentrated in the Beira and Nacala rail routes in order to support the landlocked countries of Zimbabwe and Malawi. This resulted in the further dilapidation of internal transport routes, which had a massive impact on agricultural production. For example, while agricultural production is relatively strong in the northern part of Mozambique, with a tendency to oversupply, the area remains isolated due to a lack of access to the domestic market.

#### 1-2 Roads

The road network in Mozambique measures a total of more than 29,000 km, of which 26,000 km is registered as roads. The remaining 3000 km or so is not registered, the majority of which are community roads in urban and rural areas not used by heavy vehicle.

Looking at the total length of roads in Mozambique, it would appear that the network is largely developed, leaving little necessity for the construction of new roads. The civil war left the roads in an extremely poor state, however, with only 28% of the total length in good or passable condition, and nearly 50% completely unsuitable for vehicles. While the commodity transport by road is still a bit less than rail, the predominant mode of passenger transport is on road by bus.

Mozambique's restoration commenced with the Economic Reconstruction Plan ( 1987-1990 ) formulated with the assistance of the World Bank and the IMF, and continued in the form of the National Reconstruction Plan ( 1994-1996 ) . Access to the national road network and rural areas is positioned as a priority matter in the National Reconstruction Plan. Based on such backgrounds the 5-year road plan ( 1994-1998 ) was drawn up. This plan incorporates: i ) improvement of road pol-

icy; ii ) greater efficiency of the National Directorate of Roads and Bridges ( DNEP ); iii ) development of human resources; iv ) emergency road restoration; v ) restoration of bridges; and vi ) the formulation of a road reconstruction plan.

#### 1-3 Railroads

Rail accounted for 58%, more than half, of commodity transport in 1997. Mozambique's rail network has a total length of 3,121 km. Under the east-west transport development of the colonial period, however, the system is made up of five independent lines. Railway management is conducted by the Public Ports and Railways Company ( Companhia de Portos e Caminhos de Ferro de Mocambique, CFM ) .

#### 1-4 Ports

Although coastal shipping received a blow when the state-run company, Navinter, closed in the mid-90s, the establishment in 1996 of a private shipping company with foreign capital ( and including Navinter ) produced signs of increased activity. Mozambique has three major ports—Maputo, Beira and Nacala—each of which functions as a hub in the domestic transport system.

One of the biggest challenges for the government is the restructuring of CFM, the largest of all state-run enterprises and causing headaches in terms of finance and management. Government policy is to provide concessions through the long-term leasing of the ports and the railways, rather than dispose of CFM which is a state asset. After awarding the concession contracts, CFM would eventually become a holding company and withdraw from operations. With continuing stubborn resistance from the management, however, it is expected that it will be some time before the completion of concession contracts.

#### 1-5 Corridor Development Plan

The corridor development in the transport sector would result in increased income of foreign capital.

While there are three corridor development plans—for Maputo, Beira and Nacala—the speediest progress is seen in the Maputo corridor. As such, development in the Beira and Nacala corridors will go ahead depending on the success or otherwise of development in the Maputo

corridor.

Major features of the corridor plans are private-sector led development of transport facilities, such as roads, railways and ports, and industrial development in surrounding areas. Although details of the Maputo corridor development have become more specific, the overall plans and management for the Beira and Nacala corridors remain undefined, despite the recognized need for the development of rail, port and unloading facilities.

## 2. Overview of Energy, Water and Communications Infrastructure

### 2-1 Energy

Despite a rich abundance of energy resources such as coal, hydroelectric power and natural gas, even domestic demand is not being met. Looking at hydroelectric power alone, it is estimated that there is the potential to generate 12,500 megawatts of power, of which around one-third can be provided at an investment of approximately 5 cents per kilowatt hour. Although the 2,075 megawatt Cabora Bassa dam built to supply South Africa with power is a well-known power development project in Mozambique, the public electricity board (Electricidade de Mocambique-EDM) only has the authority to purchase 200 megawatts for the domestic market. Although the majority of power generated is being sent to South Africa, difficulties are being experienced in selling price negotiations, with no foreseeable end to the problems. In the meantime, a mere 200 megawatts is generated domestically for domestic use elsewhere in the country, but losses are further cutting into that amount. With only 6% of the entire population enjoying access to electricity, some 57 of 129 regions and cities do not have electricity. In addition to the extremely small scale of electricity systems, another reason for this is that the public electricity board has its hands full with post-civil war restoration, leaving it without the capacity to address the expansion of power transmission systems. Limitations in the capabilities of the electricity board itself have also been pointed out.

The government is encouraging competition in the generation and distribution of power and dispersing the power markets to broaden access to power. It also raises conversion from charcoal to electricity as an energy source for industry, and creating greater efficiency in biomass energy. In order to introduce the principle of competition, and to improve the financial status of the

electricity board, the public electricity board has divided its accounts into generation, transmission and distribution, and is to also divide its functions into three areas in the future. An independent charging system for each department is also to be established, along with independent bodies to monitor them; amendments to the electricity legislation are to set up a clear process to obtain licenses for power generation and transmission by the private sector, and the establishment of guidelines on the sale of electricity to private sector power companies.

Despite a high potential in coal and natural gas, the use of biomass is dominating. Estimates place accessible coal reserves at 10 billion tons, natural gas in line with the coast from the geological layer at 180,000 km<sup>2</sup>, and 100,000 km<sup>2</sup> under the sea bed. On the supply side, biomass accounts for 80% of Mozambique's domestic energy sources. The annual consumption of biomass stands at 13 million tons, of which 84% is used in rural areas and 16% in metropolitan centers. Firewood represents 88% of the total, with the other 12% made up by charcoal. This has led to the environmental problem of tree felling, with an estimated 400,000 tons of trees cut down each year for fuel. Natural gas is used only for power generation (20,000 gigajoules per annum). The demand for liquid fuel is approximately 400,000 tons, of which diesel accounts for 70%. Coal is solely used in industry. Apart from this, there is the potential for solar and wind power, but these remain undeveloped.

A common problem throughout the energy sector is that the organizational systems and charges structure do not reflect the current circumstances. Charges, in particular, have not been reviewed in line with inflation, leaving them well below the cost of supply, excluding biomass, whose charges fluctuate in line with supply and demand.

### 2-2 Water

From a geographical perspective, Mozambique is located downstream from international rivers whose sources lie in other nations (relying on 9 of the 15 water systems in southern Africa), so in the majority of cases, Mozambique's water supply cannot be secured without maintaining relations with neighboring countries. Some 90% of the water volume of the nine systems flows into Mozambique from upstream countries, so Mozambique would suffer from water shortages if those upstream countries use excessive amounts of water for their own supply or for irrigation. Particularly severe water shortages were experienced from 1991 to 1996. Estimates

state that only round 60% of demand can be met with domestic water resources, and securing a stable water supply system will be essential for Mozambique's future development as an industrialized nation.

Domestic water supply service levels are miserable in both terms of quantity and quality, with only 30% of the population having access to safe water. This is the reason for the county's low health index in comparison with other nations in southern Africa. In metropolitan centers a mere 4% of the urban population is connected to water. This lack of water facilities puts residents particularly in peri-urban areas in the position of being forced to buy water from businesses at 5–10 times the price of piped water. The causes of this are: i) destruction, and lack of maintenance, of facilities, due to the 20 years civil war; ii) water policy issues including charges being set well below unit price and lack of inflation adjustments, lack of human resources, defective management systems, and excessive central control; and iii) the massive influx of refugees. The area to which water is supplied in urban centers, for example, has fallen from 48% in 1980 to 30%. There is a phenomenal amount of water loss and failure to collect charges, with an estimated 60% of the production volume not generating income. Some 40% of charges are not collected. In other words, if such situations are not improved, returns will not be achieved no matter how much is invested.

The government has set a target of water supplies to 50% of urban and rural areas by 2002. The National Water Policy, approved at a congress in 1995, states a shift in the role of government from operations to monitoring and financial planning. Approval had already been achieved in 1998 for a policy of legislative development, establishment of monitoring agencies and charge settings for participation by the private sector.

### 2-3 Communication

The government is amending the monopoly of the sole communications enterprise, the public telecommunications company ( TDM ), to allow free participation in the interests of cost cutting and service improvements in the communications field, aiming for emplacement of legislation by 2000 to encourage competition.

The policy of the President of Frelimo is to prioritize public investment in the communications field for human capital development, and introduce new communication methods for rural areas with a low dissemination rate, while encouraging regional authorities and communities

to take responsibility for repairs and maintenance costs.

In connection to the Maputo corridor development, a digital communications circuit connecting South Africa and Mozambique will be required, as will expansion of the mobile telephone area into Mozambique.

## 3. Points for Assistance

### 3-1 Reconciliation with government policy

The current Government Program ( Government Program for 1995–1999 ), which is a national development plan, raises the following three objectives: i) peace, stability and national unity; ii) the reduction of absolute poverty; and iii) improved living conditions, focusing on health, education, regional development and employment. The 3-year public investment plan ( PTIP 1996–1998 ) reflects this in its priority matters, which are: i) improved living conditions and human capital development ( health and sanitation, education and water provision sectors ); ii) economic revitalization ( transport and communications, energy, agriculture, fisheries sectors ); and iii) capacity building. Because the current activities of donors are not clearly classified according to each objective, and because more efficient use of capital management resources, and reorganization of capital resources are required for fiscal revitalization, even greater reconciliation with government policies will be essential when selecting projects in the future.

### 3-2 Measures to eradicate poverty: supply of water and energy

Assistance required to eradicate poverty is the stable provision of drinking water and energy. Although rural areas cover a greater parts, assistance to urban residents is just as vital. Given Mozambique's potential for industrialization, there will be a need for enormous numbers of workers, so the necessary urban infrastructure will need to be developed in line with the progress of industrialization. Formulating these kinds of measures will prevent the deterioration of the urban environment. In rural areas, development of renewable energy resources as alternatives to biomass would ideally be conducted in conjunction with planned management of forests and water resources.

### 3-3 Assistance for restoration: network development of transport, communication and power grids

Domestic network of transport, communications and power grids need to be developed as part of assistance for restoration. Given the broad-scale destruction of domestic infrastructure, however, rehabilitation needs of even roads alone, for example, amount to half of the domestic road expansions. This gives rise not only to the need to inject massive funds, but also to the need to consider the effective use of those funds. North-south transport development, for example, is essential for the stable development of the whole country, but that does not necessarily mean that a north-south trunk road should take absolute priority. As can be seen from trends in World Bank projects, the maximum possible utilization of transportation modes with potential is currently the most effective way of using limited funds. From this perspective, conducting north-south commodity transportation via coastal shipping is also reasonable considering Japan's post-war restoration experience. There is an idea for a massive bridge as a symbol of national land development, but this is yet premature. Required in the roads sector is the development of roads and bridges which link trunk roads, railways and port hubs with up land areas.

The incredible pace of technological development negates the need to return the communications and power systems to the state they were in prior to the civil war. In the case of communications in particular, the wireless system will likely become the mainstream, rather than the wired. In terms of electricity, while the entire domestic demand can theoretically be met by Cabora Bassa, it is owned by South Africa and it is not practical to meet demands through the importing of power. Neither will costs be covered by establishing transmission lines from Maputo over the long north-south disposition of the country. For this reason, it would be best to select the most appropriate methods and scales for power supply according to each region.

### 3-4 Infrastructure planning in line with the implementation capacity

The implementation system for Mozambique's transport and energy infrastructure is under the responsibility of the central government, or state-run enterprises; it is inefficient and unable to maintain any standard of service or manage funds. This has led to the conducting of organizational reform and human resources development

ahead of the physical development of transport, water and energy infrastructure projects. The level of suitable project design and guidance on the donor side and the efforts of the Mozambican side are all that can be relied on in determining whether these projects will achieve the desired results. Accordingly, when planning infrastructure development projects, it needs to be discerned as to whether the required capacity exists, or what kind of intangible efforts are required to produce that capacity.

Particularly required in the project implementation is maintenance. While this is not limited to transport and energy, projects should be implemented with consideration given to maintenance right from the outset of the plan, the project implemented at a pace and with technology in line with this, and a maintenance system developed where necessary. As mentioned previously, while the need for domestic infrastructure development is certainly high, this can be the very reason for instances of massive investment based on master plans and feasibility studies on physical development projects, leading not only to doubts as to the effectiveness of funds use, but also possibly to maintenance issues.

### 3-5 Clarification of the role of government

The demand for massive development projects, such as the corridor development plans, certainly cannot be afforded by ODA alone. With its natural resources potential and its position as a strategic point for transportation between neighboring countries, it will be highly feasible to conduct infrastructure and industrial projects in Mozambique in particular. There is no need to implement all these projects with ODA funding; rather the previously mentioned inefficiency of public sector necessitates participation by the private sector with its strict and well defined business objectives. The government's role will be to development the investment environment, ensure the accountability of competition, and formulate measures when external expenses are generated through project implementation. As with the division and privatization of the CFM and the EDM, the government will ideally withdraw from service position to take up a monitoring role. Technical cooperation and training through ODA will be required for this.

Elsewhere, while it is not wrong to undertake infrastructure projects with ODA in rural areas with limited demand, infrastructure development which ignores the cost of maintenance will collapse sooner or later. Ownership can be requested for these kinds of projects also, and



concessions and other forms of the competition principle can be introduced. As such, rather than a simplistic approach in which projects with high financial benefits are conducted with private sector funds, and those with low benefits with ODA, the roles of the central government and regional governments need to be clearly defined and ODA used to intensively support those roles.

landmines. Estimated to number over one million at the time of the 1992 peace agreement, it is believed that the ensuing demining activities have been conducted to the extent that the clearing required for social infrastructure restoration has been completed. Although the landmines have been cleared, JICA study missions indicated, however, that redevelopment plans themselves are not yet ready, leaving a strong possibility of providing technical cooperation in that area.

### 3-6 Technical cooperation after the demining

A point of concern when restoring infrastructure is

#### Box 2. Infrastructure Restoration and Demining

In Mozambique, it is stated that, having been laid between 1975, when civil war broke out, and the late 1980s, the older anti-personnel and anti-tank landmines are already more than twenty years old. Although estimates at the time of the United Nations assisted peace treaty in October 1992 put the number of landmines at approximately 2-3 million, the 1994 landmine survey (by the British demining NGO, the Halo Trust) put the figure at around one million landmines laid in 1926 locations (estimated area of 300-400 km<sup>2</sup>). Demining activities were developed following the peace treaty by United Nations' agencies, NGOs and other enterprises under contract. By April 1999, the total number of landmines and unexploded devices discovered and disposed of was 54,367 anti-personnel mines and 392 anti-tank mines, 29,001 unexploded ordinances (UXO), and 430,564 rounds of small arms ammunition across a total cleared area of 177 km<sup>2</sup>. There has also been a steady decline in the number of landmine victims, with average figures (approximate) appearing in official reports as follows: 1995: 50-60/month; 1996: 17-20/month; 1997: 8-10/month; 1998: 5-7/month; 1999: 4 or less/month.

While the explosive ability of anti-personnel landmines differs according to the type mine, the location in which it was laid, and the amount of rain, this ability is said to fall to 80% after 10 years, 50% after 20 years, 30% after 30 years and 10% after 50 years (according to a 1992 interview with the UNTAC, and in the Massingir District (Gaza Province) demining project conducted with Japanese assistance, around 40% of landmines laid twenty or more years ago had lost their explosive capabilities). With progress in demining work, this means that as of 1999, a generous estimate of the number of landmines remaining in Mozambique that have explosive capabilities is 500,000-600,000 (demining companies and NGOs put the figure at around 300,000-500,000).

Demining "stages" are set in the demining plan according to objective, and demining for the purpose of major social infrastructure restoration is classified as Stage I. This signifies early, emergency demining, relating to the demining period for the restoration of social infrastructure such as major trunk roads, rail, power transmission lines, transformer stations, ports, airfields, dams, bridges and communications bases. In the case of Stage I in Mozambique, companies conducted demining on a sub-contractor basis using funds mainly from United Nations' agencies and donor nations. Having begun in 1993, demining work has been underway for around 6-7 years now, with demining completed in respect of most social infrastructure apart from some power transmission lines and the Sena rail section. Demining by the United Nations' UN/ADP and NGOs such as the NPA, Halo Trust and Handicap International has also produced remarkable results in areas around major rural centers.

Nevertheless, although there is top priority on demining for the restoration of social infrastructure such as trunk roads, transmission lines, ports, airfields, transformer stations and communications facilities under Stage I, it is a task of enormous difficulty to return all the infrastructure destroyed during the war to its original state. Moreover, because the restoration of social infrastructure is directly linked to national development, a comprehensive national redevelopment plan should be formulated and priorities for restoration of social infrastructure by sector be set up. In the case of Mozambique, observations suggest that restoration and development is being conducted by United Nations' agencies and donor nations without a comprehensive national re-development plan. For this reason, proposals for an effective demining plan have yet to eventuate in relation to the recovery of the Sena (Beira) corridor, which is the sector most capable of contributing to the economic development of the country. Given the huge amount of development expenditure required for restoring and developing social infrastructure, ample surveys and investigations will be necessary. Now, with the emergency stage of demining drawing to a close, however, pending issues are the formulation of a comprehensive and specific national redevelopment plan, and direct support methods for the restoration and development of economic and social infrastructure.

(Source: JICA Internal Report).

#### 4. Assistance Strategy

Organizational reform and human resources development are underway in various sectors of infrastructure in Mozambique as a prerequisite for infrastructure development by the World Bank and other donors. This is an area which is difficult to discern from the outside, making it impossible to ascertain the essence of problems, successes and failures through a short-term survey. On the other hand, it is easy to point out problems in the realm of tangible infrastructure, the demand for which is high. In light of the potential for development in Mozambique, there is no difficulty in backing up the necessity for certain infrastructure projects with IRR. In other words, there is every possibility of feasibly conducting a considerable number of projects if one has the intention of developing infrastructure. As stated earlier, the issue in Mozambique is not a matter of what is currently lacking; rather it is one of what kind of infrastructure can be created which can be managed in a sustainable way. Of the multitude of projects implemented by donors there have been some successes and some which only made it half-way. Despite being indispensable in the formation of future projects, Japan has little of this kind of information, which takes considerable time to collect. This means that information gathering will be essential if Japan is considering sustainable infrastructure development in Mozambique. To be specific, experts in the operation and management of infrastructure need to be dispatched, and information needs to be collected in the field through dialog with the government and other donors. Projects should be formulated from the perspectives of the management and maintenance capacity of the primary implementer/s.

In developing infrastructure projects, clear delineation of role is possible between the government and the private sector. While ODA naturally provides support to the activities of the government, there are also steps the government should take in creating an investment environment for areas conducted by the private sector. The private sector is highly cautious about projects requiring enormous initial investment, and the experiences of a number of countries provide evidence that BOT does not necessarily proceed smoothly. Other options which require less investment than BOT and in which private sector know-how can be applied include concessions and management contracts, which are suited to ports, railways, power and water infrastructure. Without the reha-

bilitation of the required facilities prior to making concessions available, however, responses from the private sector will not be forthcoming due to the magnitude of the investment risk. From this viewpoint, it is not necessary to refuse ODA funds for private sector led projects, but assistance should be directed towards areas in which use of ODA is highly efficient, with due examination of concession conditions. Also useful would be advice on concession schemes and conditions for the necessary infrastructure through development study.

Without question, typical examples of the infrastructure projects to be undertaken by the government are the development of roads and bridges. More than ever, however, determinations will need to be made in terms of the efficiency of investment when uncovering priority projects. To select projects through master plans is not only time consuming, but because demand estimates are unstable, they can lead to excessive investment; hence, this approach is not recommended. Rather, the ideal approach would be cooperation from the aforementioned experts and project formulation missions in the road sector.

Another role the government could perform is to monitor the various development projects and infrastructure projects. Despite limited experience in comparison with the United States and European nations, possible areas for technical cooperation by Japan are the establishment of a regulatory framework for the energy and transport infrastructure sector, and the development of competition and management methods.

There is considerable need for assistance in infrastructure development in rural areas with underdeveloped infrastructure and urban centers where there is a possible concentration of the population. It is not enough to merely construct physical facilities, however, the issue is how ownership can be established. An example of this is grant aid projects in sites where sustainability has been confirmed through advance technical cooperation and studies for the strengthening of the water management organizations in rural areas. Another possibility of interest would be to implement the development study investigate the feasibility of all forms of energy, such as the efficient use of diesel, small-scale hydroelectric power, solar power, wind power and biomass fuel, in regional towns without electricity, and propose efficient projects in terms of the implementation system and profitability.

## 5. Conclusions

With the unlimited future potential for infrastructure development in Mozambique, there is huge opportunities to provide cooperation. The many problems in implementation and management capacity, however, mean that there is little future in returning infrastructure to its original state. Fortunately, the significant natural resources potential opens up many opportunities for the private sector. As such, it is recommended that Japan provide assistance based on ascertaining the trends in the infrastructure sector, and conducting infrastructure development in tandem with the institutional assistance vital to the operation of infrastructure, such as restructuring organisation and concession systems.

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