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SUMMARY

Mozambique is emerging from over 20 years of war that led to loss of life, maimed over a million people, and left many more millions destitute. The civil war, aggravated by successive droughts, led to large-scale population movements. An estimated 1.7 million persons fled to neighbouring countries, while up to four million were displaced within the country. The damage done by the war was enormous. With the signing of the Peace Agreement in 1992, people started to go back to their places of origin and most of those who wanted to return have now done so. Agricultural production is on the increase in spite of a localized drought in the south, but rehabilitation of infrastructure and in particular of the rural economy has still a very long way to go. Coping mechanisms are still extremely fragile.

In the last five years, WFP has supported all the different phases of what is known as the emergency-development continuum, including relief, resettlement, drought assistance, rehabilitation and development. WFP's strategic orientation is in line with the Government's poverty alleviation strategy. The comparative advantage of food aid as an incentive to undertake food-for-work activities is expected to diminish as agricultural production continues to increase. WFP's strategy for the future will be based on rehabilitation and disaster mitigation. It is proposed that the future Country Programme will include a Food Fund, which will assist community initiatives suitable for food aid support, and which will especially target women. It is estimated that the resources necessary to implement a five-year Country Programme will amount to 80 million dollars, of which some 30 million can be expected to be required for drought relief.

All monetary values are expressed in United States dollars.

For relevant statistical data, please consult the WFP country profile for Mozambique, which is available on request.

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NOTE TO THE EXECUTIVE BOARD

1. This document is submitted for information to the Executive Board.
2. Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.
3. The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.
4. The WFP staff dealing with this document are:

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5. Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documents Clerk (tel.: 5228-2641).

FOOD INSECURITY, HUNGER AND POVERTY

Food insecurity at the national level

1. Mozambique's food insecurity must be viewed within the context of long years of war, periodic droughts, and a centralized economy which is gradually evolving into a decentralized, market-based system. GDP per capita fell from 117 dollars at independence in 1975 to 80 dollars in 1995. Since the peace accord was signed in 1992, and people began to return, the economy started to grow again, and an economic growth rate of five to six percent a year for the next five years is now considered to be feasible.
2. However, socio-economic indicators classify this country of 17 million inhabitants among the poorest in the world. The under-five mortality rate is among the world's highest, with 273 per 1,000 live births. About 30 to 40 percent of the children suffer from chronic malnutrition (stunting) and six percent from acute malnutrition (wasting). Only 22 percent of the population has access to safe water, and 19 percent to sanitation. The literacy rate is estimated at 33 percent, with twice as many men as women being literate. A large number of the households (22 percent) are headed by women.¹
3. By the end of the war, just over half of all primary schools and health posts were operational, mostly in urban and peri-urban areas, with almost 4,000 rural primary schools and 1,100 rural health posts either destroyed or abandoned. Most of the 29,000 kilometres of roads were in very poor condition and cut by many destroyed or collapsed bridges.
4. Mozambique has been classified by the United Nations as a least developed country. It is also a low-income, food-deficit country. National food production collapsed due to two decades of civil war, periodic droughts, huge population displacement, and inappropriate social and economic policies. This led to large-scale dependence on food aid and other external assistance. Food aid has accounted for much of total national grain supply, reaching up to 90 percent of food imports in some years. In 1991/92 programme food aid accounted for 20 percent of the national budget and for 10 percent of the GDP. Net inflows of official development assistance (ODA) in 1995 are estimated at 830 million dollars, after debt servicing and rescheduling. Over 90 percent of public investment is funded through ODA.
5. Agriculture, the most important sector of the economy, accounts for 40 to 50 percent of GDP and provides employment for over 80 percent of the labour force. Important staple food crops include cassava, maize, sorghum, rice, peanuts and beans. Most of Mozambique's staple crops are grown by the smallholder sector. There are about 2.5 million family farms cultivating between one and 1.5 hectare.

¹ UNICEF country programme document/UNDP Human Development Report/World Bank Health Sector Recovery Programme Report, 1995.



6. With a robust agricultural export sector and relative self-sufficiency in food production prior to 1974, an eventual return to pre-war levels of per capita food production is possible. However, with a projected population growth of 2.7 per annum, the national food deficit will remain structural for a number of years. Significant quantities of food aid will continue to be needed to meet both the national as well as localized deficits. According to the May 1995 report of the joint FAO/WFP crop and food supply assessment mission, total 1994/95 production of cereals was estimated at 1.2 million tons, 43 percent more than the year before, in spite of drought in the south.
7. Mozambique remains vulnerable to natural disasters such as drought. A limited grain reserve is being maintained with European Community support, but the majority of the population with low levels of income are vulnerable to price rises. Government capacity to deal with natural disasters is weak.
8. Small farmers are now producing again, but most remain vulnerable because of lack of access to markets, consumer goods and small farm credit. The presence of land-mines and limited and unpredictable rainfall, in particular in the south, further restrict production. For rural households in the food-surplus areas, a major problem is the lack of an adequate market structure, and the inability of the still weak commercial sector to absorb and market localized and periodic surpluses. This is exacerbated by the poor road network and an inefficient coastal shipping sector.

Regional food security

9. Farm-based food security varies with different climatic and soil conditions across the country. The three northern provinces, Nampula, Cabo Delgado and Niassa, in general enjoy better conditions than the south, and marketed surpluses of cereals can be expected to increase. Tete is divided into a fertile and productive northern area, and a drought-prone southern area. In the central provinces of Zambezia, Manica and Sofala, with reasonable rains, total production could ensure self-sufficiency and even allow surpluses. The south is traditionally more-drought prone than the centre and the north. While Inhambane, Gaza and Maputo provinces are subject to unreliable rainfall, the destruction of cattle during the war removed a key element in a traditionally drought-resistant production system, undermining regional food security (see map).
10. Rural off-farm employment is also still severely depressed in most areas, and for the country as a whole is far below figures for sub-Saharan countries. South Africa has been a traditional source of remittances through employment and capital for southern farming households. While they are unlikely to regain their former prominent role, transfers from South Africa are still a significant source of food security and investment capital. However, until the south has been able to rebuild its coping mechanisms based on cattle, it remains the most food-insecure part of the country.



The poor and the food insecure

11. Out of a total population of 17 million, 70 percent live in rural areas. About 70 percent of the rural population (some eight million people) are estimated to be absolutely poor.¹ Rural food security should improve with the recent increases in production, but few are sufficiently food-secure that they can withstand a crop failure, or invest in new inputs or rely on social support networks. The basis for rural take-off is still very small; infrastructure has been destroyed, smallholders have retreated into subsistence, and most of the rural non-farm economy has collapsed.
12. Strategies to improve the staple food sector and to reduce poverty must take into account the needs of women farmers, who are the main producers of food. Some 1.8 million women were classified as family farmers in 1992. They supply about 60 percent of labour in staple crop production and most of the labour for home gardening, including vegetables. Traditional cultivation practices are used, and extension services have not successfully reached out to women farmers. Despite the important contribution of women to national food production, gender roles do vary across regions and more research on ways of helping women farmers in different socio-economic and cultural settings is urgently needed. Possible areas include helping labour-scarce households to find appropriate labour-substituting technologies at the small-farm level.
13. More than one third of urban households are absolutely poor. About 40 to 50 percent of Maputo's population is considered poor. Urban dwellers account for about 30 percent of Mozambique's total population, compared to 13 percent in 1980; the number of poor urban people is substantially higher than before the war. Despite some movement back to rural areas, the urban population is still forecasted to rise further, to over six million by 2000. Most urban households spend at least 70 percent of earnings on food. Already skewed income distribution is likely to get worse. Between five to 10 percent of urban households earn around 40 percent of total national income, while the bottom 20 percent earn just seven percent.

GOVERNMENT PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD INSECURITY

14. The socio-economic goals of the Government include achieving sustained economic growth and overcoming the extreme poverty of some two thirds of the population. The Government introduced structural adjustment in 1987 with the economic rehabilitation programme (PRE). A social component was later added to the PRE (which became the PRES), as it became clear that poverty was of such a scale that specific alleviation measures were required. The recent five-year economic programme of the new Government, which was approved by Parliament in April 1995, gives priority to the health and education sectors, for which budgetary allocations have been increased, as well as to rural development and employment.

¹ World Bank Health Sector Recovery Programme Report, 1995.



Poverty reduction strategy

15. The poverty reduction strategy prepared by the Poverty Alleviation Unit of the National Planning Commission for the Consultative Group meeting for Mozambique in March 1995, constitutes a relevant basis for WFP's country strategy. Since some two thirds of the rural population are poor, the strategy is rural-oriented, but proposals are made to reorganize the urban safety net. The overall strategy has three main elements (see paragraphs 16 to 26).
16. *Improve rural livelihoods.* The central theme is to maximize competition in rural markets, which is expected to reduce marketing margins and result in higher prices for producers. Increased incomes among smallholders selling maize and other food crops will increase the demand for labour, and will ultimately stimulate the much-needed growth in non-farm employment.
17. Investment in rural infrastructure and especially roads is an essential condition for improved marketing and agricultural production. Such investments can be undertaken by the public sector, the private sector, and by communities. The public investment programme will prioritize the reconstruction of road networks, including rural feeder roads. Improved road networks will provide communities with access to markets, agricultural inputs and consumption goods and will strengthen rural as well as urban food security, the latter through lower transport costs. The strategy stresses the importance of labour-intensive construction methods in the rehabilitation of rural roads.
18. The feeder roads project, supported by WFP, is well in line with the first major component of the poverty alleviation strategy, which points out that labour-intensive programmes can provide much-needed income in off-peak seasons, and can be expanded in times of drought.
19. *Investment in human capital.* The most important investments aimed at developing the human capital of the poor are those provided by primary education and basic health services, together with safe water and sanitation. The Government will focus its resources on the rural areas and on peri-urban areas where the urban poor are concentrated.
20. For the health sector, much progress has been made with respect to an integrated sector approach, supported by the donor community. To minimize the high capital costs of reconstruction and rehabilitation, local materials will be used wherever possible, and communities will contribute labour. This will promote ownership by the communities over the assets created, thereby encouraging them to help maintain the facilities. The health component of project No. 5331—"Reconstruction and rehabilitation in rural Mozambique", approved in 1995 and co-financed by the World Bank, is an integrated part of the health sector programme.
21. The creation of an effective system of primary education, especially in the rural areas, is the first priority for the education sector. The Government's five-year target is to increase the (gross) primary enrolment rate (EP1) to 86 percent, which was the level achieved in the early eighties from the current rate of 59 percent. The primary



net enrolment rate (primary school-age children six to 10 years enrolled in schools), is currently estimated by the Ministry of Education at 32 percent.

22. The national education policy published in August 1995 gives special attention to raising the participation in schooling of girls at all educational levels. The improvement of female education has substantial benefits for household income, nutrition and child health.
23. To give priority to primary education, the share of education in total recurrent expenditure should be in the range of 20 to 25 percent, compared to 14 to 15 percent in 1993. This will only be achievable with donors funding a significant proportion of the recurrent costs. The preparation of an integrated sector plan is less advanced than is the case in the health sector. Reconstruction and rehabilitation of rural primary schools is a central element in the Government's strategy.
24. The education component of project No. 5331 is well in line with government policies. School feeding has an equally important role to play, although the poverty reduction strategy considers school feeding to be an element of its disaster safety net. Project No. 5160—"School feeding", approved in 1994, includes 80 primary schools in drought-prone districts, which may be expanded.
25. *Building a disaster safety net.* The third component of the strategy has identified two priorities: a) to reduce the vulnerability of poor rural people to events such as drought; and b) to improve nutrition, especially in the rural areas, with emphasis on children. A central element of a future rural disaster safety net would be its flexibility: labour-intensive public works under National Directorate of Roads and Bridges/Company for the Construction and Maintenance of Roads and Bridges (DNEP/ECMEP) programmes would automatically expand in times of stress.
26. In general, WFP's current project portfolio (including Mozambique 5331, which is not yet operational) fits in well with the orientations set out in the Government's poverty alleviation strategy. Indeed, the two have evolved in tandem. From a policy point of view, therefore, there are no reasons to redesign WFP's orientation, although in the light of the WFP Mission Statement, some adjustments will be necessary in the Programme's support to the education sector.

Food security and food aid policies

27. The Government has not yet defined a self-standing and comprehensive food security strategy. However, many elements relevant for household food security are incorporated in the poverty alleviation strategy.
28. Government food security policies refer basically to more aggregate objectives such as national self-sufficiency in food production, which is certain to take time. Maize is still strongly supported as a "strategic crop", although there is a need to diversify the crop base and develop a policy which stresses self-reliance rather than simple self-sufficiency. The Government is committed to a basic twin-track policy of maintaining food supplies (relief, commercial imports and programme food aid) and promoting national food production, especially by small family farms.



29. Food aid is viewed by the Government as an important resource for both humanitarian and developmental policies. Food aid policy has three elements:
 - a) maintain food aid (as balance-of-payments programme aid) to fill the cereal deficit until national import capacity (export based) begins to rise;
 - b) use food aid for the continuing relief needs of the rural households affected by poor rains or natural disaster;
 - c) use food aid for development: feed target groups and address the lack of employment through income support and food for work.
30. For large-scale programme food aid shipments, current practice is to sell maize and wheat at controlled or subsidized prices, although policy aims to bring internal and external prices more in line with each other. Under the current circumstances, monetization of WFP food aid is therefore not considered appropriate. However, it may be that in future a selective monetization programme may become feasible.

ASSESSMENT OF WFP'S PERFORMANCE TO DATE

Introduction

31. Since WFP approved its first project in Mozambique in 1974, it has committed over 1.4 million tons of food to the country, at a total value of 569 million dollars. Emergency operations accounted for 80 percent in terms of commodities against 20 percent for development projects. Apart from this, large-scale assistance has been provided to Mozambican refugees in neighbouring countries.
32. During the last 20 years, and in spite of the war, a development programme was maintained, the main elements of which consisted of support to education (110,000 tons), which is still operational, and projects in support of the tea sector (56,000 tons), terminated in 1990, and the forestry sector (53,000 tons), terminated in April 1994.
33. The present portfolio is characterized by four major categories of interventions:
 - a) drought-related assistance, until April 1996;
 - b) assistance to resettlement;
 - c) reconstruction and rehabilitation; and
 - d) development of human resources (school feeding), which project runs until April 1997.Besides, small-scale development activities are being funded through the emergency operation, and through the urban basic services pilot project, which both have strong links with community development. The demarcation lines between these various categories are not absolute. Resettlement is the basis for reconstruction; without drought-related assistance, rehabilitation and reconstruction would become even more difficult. Reconstruction is at the same time an integrated part of, as well as a condition, for development.

Emergency assistance

34. Since 1989, a total of 537,000 tons of food has been committed under various emergency operations in support of victims of drought and war, resettlement and of demobilizing soldiers. This included a major operation (225,000 tons) to help



overcome the worst drought in 1992/93 in the country's history, which was an example of an efficient regionally-based and timely operation.

35. The last phase of WFP's refugee/returnee assistance (PRO Mozambique 4164 (Exp.4))—"Food assistance for displaced persons affected by food shortages and civil strife in Mozambique", has recently been evaluated by a multi-donor mission led by WFP. Its report is being submitted separately to the Executive Board. It concluded, *inter alia*, "that the WFP operation had been adequately designed and that the WFP country office and sub-offices have efficiently and imaginatively addressed the various challenges it faced. WFP in Mozambique took a critical and innovative position...in the management and assessment of the emergency situation".
36. With the phasing out of emergency food aid, it is expected that WFP presence throughout the country will be reduced, which implies a risk that the valuable experience gained in the management and design of complicated emergency operations may be lost in the future. An important element of WFP's strategy for the future is therefore to help the Government and, in collaboration with donors, to prepare a disaster mitigation strategy, including national institution-building.

Interface between emergency and development

37. Food assistance both to returnees and drought victims as undertaken in Mozambique is very much development-oriented. The programme, which has included in the assistance package the provision of tools and seeds, has permitted the beneficiaries to continue to clear and prepare their land and to productively invest their labour in future agricultural production.
38. WFP emergency operations have had other direct developmental benefits. The subcontracting of transport to the private sector, involving some 20 million dollars, has been instrumental in creating a robust and competitive transport sector. Because of the opening up of roads and demining—WFP invested about one million dollars—the transport costs per ton/kilometre have in the last two to three years gone down very significantly. WFP, in collaboration with FAO and with generous donor support, has funded the purchase and transport of seeds, in particular for drought-resistant crops which were distributed together with the food before the planting season in the southern part of the country. The Government of the Netherlands is monitoring the impact of this operation in the present farming season (December 1995–April 1996).
39. WFP has spent some 10 million dollars on local purchasing of mainly maize in the surplus areas of the north, adding to the farmers' income and making an important contribution to the monetization of the rural economy, a necessary condition for diversification of the economy and the development of the off-farm sector. WFP and the Government have been careful not to push up prices and to maintain a realistic indicative producer price, sustainable in the longer run.
40. The ongoing emergency and returnee operation includes a component for support to small-scale development projects, implemented by communities, local institutions and NGOs. In 1994, 35 such micro-projects were approved, divided between feeding and food-for-work activities with a total food delivery of 1,700 tons. Given a



consistent demand from local communities, the use of this facility increased to 3,000 tons over the first 11 months of 1995, to some 100 activities, including 80 food-for-work projects, providing short-term employment to about 20,000 participants.

Development assistance

Mozambique 5160—"Feeding of students at boarding-schools and in drought areas"

41. This 11-million-dollar three-year project became operational in May 1994, and followed an earlier project, No. 2382, which started in 1977. It provides food to some 27,000 boarders in 182 boarding-schools, and to 30,000 day-school students in the boarding-schools. A later element (since May 1995) was the inclusion of some 80 primary day-schools in drought-prone districts in two southern provinces.
42. In general, the performance of the project in terms of meeting targets has been satisfactory. In addition, WFP assistance has been a valuable budgetary support to the Government in meeting the costs of keeping the boarding-schools open, especially during the war.
43. **Future orientation.** Given severe budgetary constraints in the recurrent and investment budgets of the Ministry of Education, which depend heavily on donor support, budgetary support to boarding-schools remains important in the short to medium term. However, with the return of peace, an increase in the education budget and WFP policies with regard to budgetary support, a gradual phasing out of support to secondary boarding-schools will be considered. It is envisaged a) to continue to assist primary boarding-schools; and b) to expand assistance to primary schools in drought-prone areas, depending on the outcome of the management-cum-pre-appraisal review scheduled for mid-1996.

Mozambique 4720—"Assistance to feeder roads reconstruction programme"

44. WFP's assistance to the nation-wide feeder roads programme (FRP) is linked to the World Bank-supported ROCS (roads and coastal shipping) project, with technical assistance from ILO and substantive bilateral and donor funding. WFP assistance to FRP was initiated as far back as 1988 with emergency resources and is a good example of the transition from relief to rehabilitation. The seven-million-dollar project No. 4720, which has a four-year duration, became operational in January 1993.
45. The project is based on closed monetization, whereby the workers are entitled to exchange 50 percent of their wage for WFP-supplied and subsidized commodities. The project was started at a time when there were serious food shortages in the country and when the availability of WFP food was a major factor in attracting and retaining the workers.
46. The original targets defined at the time of appraisal turned out to be too optimistic, and the project, which functions in nine out of 10 rural provinces, is operating at roughly half of the envisaged level in terms of numbers of workers and distribution of food.



47. The monetization component of the project has not worked well: inflation rates were high (some 40 percent a year) and disbursements suffered from bureaucratic inertia. The use of the generated funds by the DNEP was slow; use by NGOs was satisfactory, once the funds had been transferred.
48. *Future orientation.* As food production picks up, the rationale for food for work may change. Moreover, DNEP, while recognizing the importance of WFP support, sees food management as something of a burden. Perhaps new delivery formulas have to be developed which rely on the private sector. The closed monetization formula is likely to be abandoned. The composition of the ration could vary between maize-producing and maize-deficit areas. A management review is scheduled to take place in early 1996. The construction and rehabilitation of feeder roads remains a top government priority.

Mozambique 4721—"Urban basic services in Maputo"

49. This pilot project started in October 1993, and has been extended to September 1996. The main purposes were to test out the food for work versus cash approach as well as to gain experience with community participation in a peri-urban setting (Maputo). The project supports: a) food-for-work schemes implemented by NGOs, communities, and the City Council of Maputo; b) some 2,500 children in newly-established pre-schools, with the objective of promoting community development around pre-schools, while permitting mothers to go out to work.
50. The project is supported by bilateral donors, including the provision of non-food items. One third of the food is distributed to 32 pre-schools, against two thirds for food-for-work activities (mainly roads, drainage, garbage collection and rehabilitation of schools), which provides employment to between 300 and 800 people, mainly women. About half of the supervisors are women.
51. The community development component is successful. While communities and NGOs have constructed pre-school facilities, the question arises as to who owns these facilities. Employment in road construction and garbage collection appears to be semi-permanent, with little rotation between workers. Concerning the food/cash option for food for work, it seems as if cash would attract men, while women would be more attracted by food. However, female participation is ultimately a question of selection mechanisms. Female workers account for some 70 percent of the workers, who also receive a small cash component.
52. Although the project area selected for the start-up is poor, it is not the poorest neighbourhood in Maputo: some form of community organization was required, while construction of the pre-schools was conditioned by the availability of plots within the context of urban planning.
53. *Future orientation.* WFP has invested a lot in starting up the project. Time has come for a more systematic and in-depth study of the lessons learned, following a first review undertaken in 1995. It is planned to combine this project with the micro-project component financed under emergency operations into a demand-driven food aid facility, or Food Fund, to be used by NGOs and local communities (see paragraph 68).



Mozambique 5331—"Reconstruction and rehabilitation in rural Mozambique"

54. This project, co-financed with the World Bank and to be implemented by NGOs and local communities under the technical guidance of the Ministry of Health (GACOPI) and the Ministry of Education (GEPE), aims at the rehabilitation and reconstruction of 900 primary schools and 240 health centres and health posts. The project is based on the concept of community participation, labour intensive construction methods and the use of locally-available construction materials. WFP will provide a food-based incentive ration to communities, including soap, and the possibility of substituting cash for the cereal part of the ration if the district in question has a good maize supply. WFP has been requested to temporarily manage the World Bank credit funds in order to ensure the simultaneous transfer to NGOs of cash and food. This function will be gradually transferred to the Government. This 12-million-dollar project was approved in late 1994, but is not yet operational.
55. The reasons for delay were the late signing of the World Bank health credit, complexity in the implementation regarding WFP's role in managing World Bank credits, followed by a political debate which took place, outside the context of this project, on the relative role of NGOs and the private sector in the economy. However, pending the official start, 40 schools (with ADPP, a Nordic NGO) and four health posts (Médecins sans frontières) have been constructed/rehabilitated on a pre-project pilot basis, financed from the micro-projects component, with four other schools assisted by the German Agency for Technical Cooperation and the Lutheran World Federation. Implementation is expected to commence in the first trimester of 1996.

Strengths and weaknesses

56. During the past years, WFP has been active in all the different phases of the relief-development interface: relief, resettlement, rehabilitation, development. But all this has been interrupted by drought. The continuum is not characterized by nicely sequenced interventions, but by simultaneous actions on all fronts. The percentage of development activities financed by emergency operations has been very modest, as has been observed in other countries as well. However, based on the proven demand from local communities and NGOs for food aid to support development, the micro-component has been an innovative and flexible tool which has provided the basis for the formulation of two longer-term development projects.
57. Phasing out, in a country like Mozambique, where a large part of the budget is financed by external donors, and where reconstruction is an absolute top priority, is a somewhat theoretical issue at this point in time. It is clear that the Government will only be able to take over in a very gradual way. Regarding sustainability, insofar as projects are initiated and managed by communities, the foundations for sustainability are being established.
58. Monitoring in a situation of war and transition towards peace has understandably focused on making sure that the food arrived where it was needed. A major problem with respect to monitoring and evaluation (M&E), apart from the fact that before 1993 no field visits were possible, is the lack of human resources in the country. But for M&E to go beyond logistical performance, it is also necessary that funds which



have been earmarked are indeed made available. Implementation capacity of the Government is weak; this has implications both for M&E as well as for implementation. In the prevailing circumstances, project targets have been set too high.

FUTURE STRATEGY

59. The context which determines WFP's programme has started to change. The most important change is that overall food production is expected to increase, until perhaps in 10 years time the country will be self-sufficient and rural coping mechanisms will have improved considerably. As food production increases, the need for targeted assistance may continue, but the relevance of project food aid, and in particular of food for work, will gradually diminish. By the year 2005, food-for-work activities may be virtually phased out, but continued assistance to the health and education sectors may be required. WFP will maintain an emergency-related monitoring and response role.

Next five years

60. The potential for WFP food aid assistance over the next five years should be seen in the following context:
- a) given the country's vulnerability, especially to drought and in particular in the south, it is likely that in some years there will be a need for emergency assistance. The quantity of resources that may be required will at least equal those for development assistance;
 - b) the relative advantage of development food aid as an incentive for food for work will diminish;
 - c) the capacity of the Government to undertake development activities will remain weak; local communities, institutions and NGOs will remain important implementing partners, but their capacity is also restricted;
 - d) WFP policies will emphasize household food security and will not favour budgetary support;
 - e) WFP policies will stress gender issues as a way to improve household food security;
 - f) poverty in the rural areas is more widespread than in the urban areas. However, with increased urban growth, urban poverty may increase.



Implications for WFP

61. The implications for the next programming cycle are the following:
- a) WFP should maintain a disaster-preparedness capacity to deal with future drought-related assistance.
 - b) During the next five years WFP will gradually move towards targeting the south, trying to focus more on linking development and emergency activities.
 - c) However, as long as rehabilitation and reconstruction are top priorities, and poverty is widespread all over Mozambique, WFP will continue to underwrite its support for reconstruction and rehabilitation of rural infrastructure. WFP-specific policy and food-specific targeting issues may, for the time being, have to yield to the overriding need for reconstruction. In this case, WFP will try to modify its food ration by substitution of cash for those commodities that are available on the local market. A modest cash option has already been built into project No. 5331, financed by the Dutch Quality Improvement Grant.
 - d) Assuming a consistent and gradual growth in food production in the rural areas, and the weak implementation capacity of the Government, WFP development assistance in the rural areas (with the exception of school feeding) will be characterized by relatively small-scale interventions implemented by local communities and NGOs.
 - e) Concerning gender issues, it appears that WFP can do more for women in urban areas and for community development around schools and pre-schools than through food-for-work based rural reconstruction activities, given the strong involvement of women in food production.
 - f) The concern for gender implies that WFP will continue to explore the possibilities for using development food aid in urban areas in support of local initiatives directly aimed at a reduction in household food insecurity.

FUTURE PROGRAMMING

Programme activities

Capacity-building

62. WFP will play a dual role. Apart from providing food aid to poor and food insecure households, it will continue to play a leading and coordinating role with respect both to emergency and development project food aid. With the current phasing out of emergency food aid, and the relocation of experienced international staff, there is now an urgent need for capacity-building within the Government both in disaster preparedness and in emergency management. WFP, in collaboration with other donors and government institutions, will take the lead in assisting the



Government in preparing such a plan. An initiating study will be carried out during 1996 to define a plan of action. This will include proposals for integrated and sustainable vulnerability mapping.

Food aid programme

63. In line with government policies, WFP will provide development assistance in the rural infrastructure and education sectors. Its programme will especially focus on the rural sector, women and community development activities in urban areas. Particular attention will be given to the south and to maintaining an emergency response capacity. More attention will be given to gender and targeting issues, and to M&E as an instrument to achieve this.

Emergency food aid

64. It can be estimated that, during the programming period, a total of one million people will be in need of emergency food aid (an annual average of 200,000 for six months). Hence, the total volume of emergency food to be included in the Country Programme would be 100,000 tons, or the equivalent of some 30 million dollars at current prices.

Development food aid

65. *Reconstruction/rehabilitation of infrastructure* (Mozambique 4720 (feeder roads), Mozambique 5331 (health and education infrastructure)). Reconstruction and rehabilitation will continue to be a top priority. It is expected that WFP will continue its assistance to the roads sector. Implementation of project No. 5331 is expected to start early in 1996. Total resources to be programmed for rehabilitation of physical infrastructure for a five-year period will amount to some 17 million dollars, (five million for feeder roads and 12 million for schools and health posts, of which perhaps two million in cash entitlement). Further assistance to rehabilitation will be provided under the proposed demand-driven food aid facility (Food Fund).
66. *Education*. Apart from reconstruction of primary schools, WFP will continue to assist the education sector through school feeding. Support to secondary boarding-schools will be gradually phased out, while support to primary boarding-schools (EP1 and EP2) would likely be needed for a longer period. The justification of budgetary support provided by WFP to the Ministry of Education remains valid in a situation where budgets are extremely tight and the sector remains highly dependent on external financing, but financing by WFP would depend on the availability of funding. Support to primary schools in the rural drought-prone areas may increase, as more districts are incorporated into the programme. Pending the outcome of the management review and a more precise formulation of objectives, a provision is made for 23 million dollars for support of school feeding programmes.
67. WFP will explore the possibilities for adult literacy, vocational training and income-generating activities for mainly urban women. Pilot activities will be funded by the Food Fund.



68. *The Food Fund, a demand-driven food aid facility.* It is proposed to combine project No. 4721 (urban basic services), with the micro-projects component currently financed under emergency operations. Both projects are demand-driven, individual activities are relatively small-scale, and are implemented by local communities/institutes and NGOs. Activities financed under this facility have the potential to focus especially on women and children. Although the Food Fund will be relatively management-intensive, it can make a very significant difference for the communities concerned. This highly visible component will also enable WFP to maintain direct working relationships with NGOs and local communities, which are essential for a quick emergency response. Total project costs to WFP of the Food Fund are estimated at 10 million dollars over five years.
69. To finance the above programme activities, it is estimated that an amount of some 80 million dollars would be required, including 30 million for emergencies. The total indicative budget for the five-year programming cycle is as follows:

	Dollars (millions)
Emergencies	30
Feeder roads	5
Rehabilitation of social infrastructure	12
Food Fund	10
School feeding	23
Total	80

70. WFP has been very successful in attracting additional funding for a variety of initiatives which complemented food aid in stimulating agricultural production, thereby reducing the need for future emergency assistance. An example of this was the purchase and distribution of seeds to the farmers in the south. Other initiatives to be explored could include support to the introduction of new crops (agricultural diversification), an "insurance scheme" for farmers introducing new high-risk techniques, establishment of nurseries for fruit-trees, small-farmer market development, etc.

The modalities of WFP assistance

71. Where possible, preference will be given to cost-effective local purchasing, provided this will not lead to market distortions, and to regional purchases. As maize production is increasing, it will be necessary to consider substitutes for maize in the food ration.
72. Given the poor financial position of the Government, especially in the first years of the programming cycle, WFP may have to continue to finance full ITSH costs. The Government will be expected to take over its share of ITSH in a phased manner in the later years of the cycle.



Collaboration with other agencies and institutions

73. With regard to institution building in disaster preparedness, collaboration with the main food aid donors and with FAO is crucial. Further programme development will benefit from regular contacts with the World Bank and especially from the poverty alleviation sector work undertaken by the Government with World Bank support.

Key issues and risks

74. The weak implementation capacity of government institutions, especially at provincial and district levels, remains a source of concern. All programmes should therefore include elements of upgrading of skills and training of counterpart staff. Specifically for WFP, a strong regional presence in three provinces is essential for the implementation of the proposed Country Programme.
75. A final risk concerns the future of NGOs, which have played an essential role in emergency, rehabilitation and increasingly in development. Some international NGOs may withdraw upon completion of emergency and resettlement aid. Others, in particular local NGOs, will need funding in order to take on additional activities in development.



ANNEX I

MOZAMBIQUE - SOCIAL INDICATORS OF DEVELOPMENT
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	Mozambique	Sub-Saharan Africa	Least developed countries
Life expectancy (<i>year</i>)	47	52	51
Mortality rate (<i>per 1,000 live births</i>)	150	103	114
Under-five mortality rate (<i>per 1,000 live births</i>)	273	165	-
Maternal mortality rate (<i>per 100,000 live births</i>)	1 100	690	740
Adult literacy rate (<i>percent</i>)	33	47	45
Daily calorie supply (<i>as percentage of requirement</i>)	77	93	90


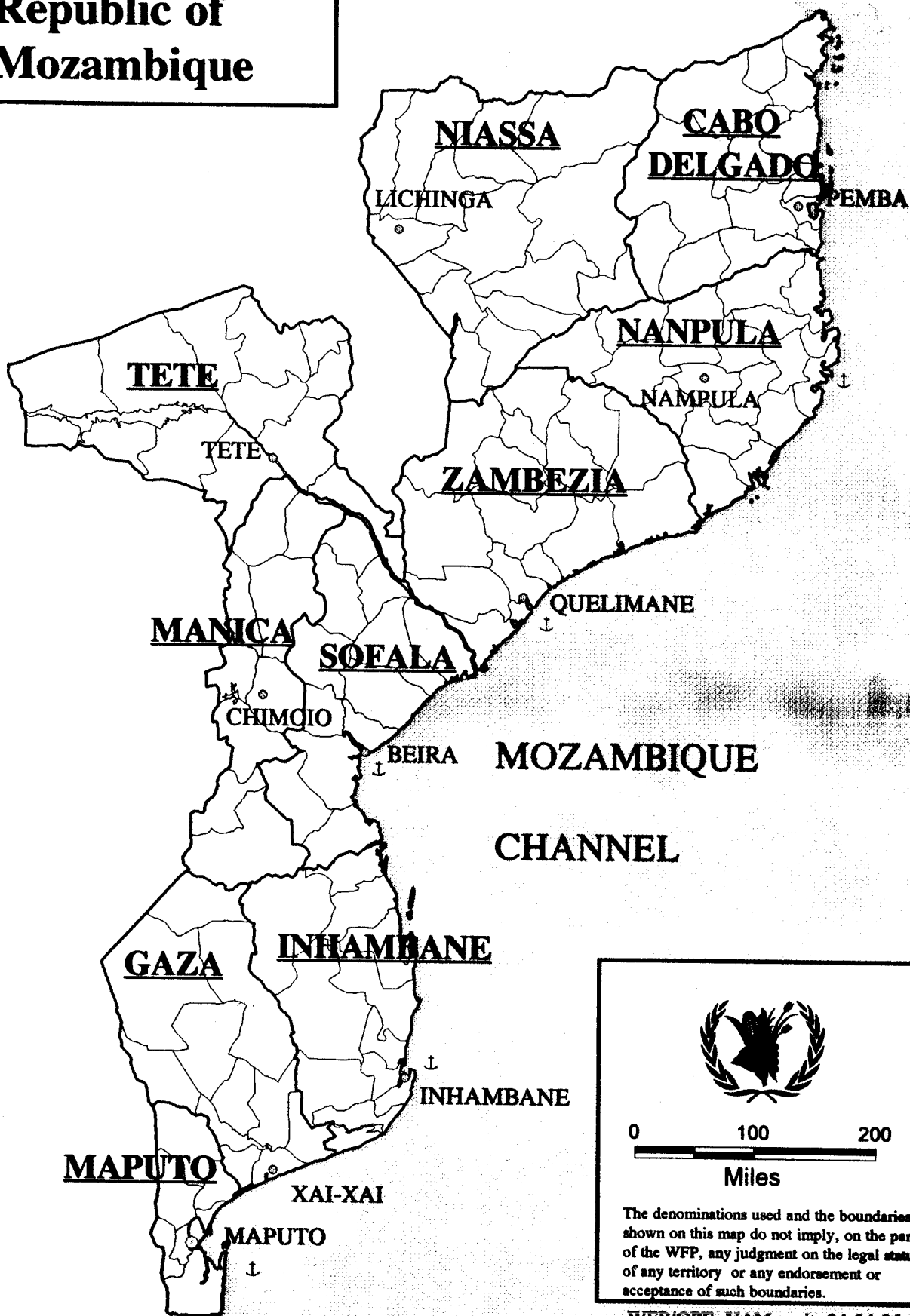
Sources: Government of Mozambique and UNICEF: *The Situation of Children and Woman in Mozambique-1993*, UNDP *Human Development Report 1993*, and World Bank *Social Indicators of Development 1993*.

Notes: the data are those for the latest available years. The category of "least developed countries" is based on the UNDP definition.



ANNEX II

**Republic of
Mozambique**



0 100 200
Miles

The denominations used and the boundaries shown on this map do not imply, on the part of the WFP, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

WFP/OPE VAM unit 24.04.96.