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Swiss Agency for Development  
and Cooperation SDC

# Swiss Cooperation Programme Mozambique 2022–2025





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# Abbreviations

ADIN	Integrated Development Agency for the North of Mozambique	SDC	Swiss Agency for Development Cooperation
ARIs	Aggregated Reference Indicators	SDGs	Sustainable Development Goals
CEDRIG	Climate, Environment and Disaster Risk Reduction Integration Guidance	SECO	State Secretariat for Economic Affairs
CSO	Civil Society Organization	SHF	Smallholder Farmers
CHF	Swiss Franc	SRH	Sexual and Reproductive Health
CSPM	Conflict-sensitive Programme Management	SWF	Sovereign Wealth Fund
DPA	Directorate of Political Affairs	TRIs	Thematic Reference Indicators (TRIs)
DDR	Demobilization Disarmament Reinsertion	UNCDF	United Nations Capital Development Fund
DFA	Federal Department of Foreign Affairs	UNDP	United Nations Development Programme
DRR	Disaster Risk Reduction	UNFPA	United Nations Population Fund
FDI	Foreign Direct Investment	UNICEF	United Nations Children's Fund
FRELIMO	Frente de Libertação de Moçambique	UNODC	United Nations Office on Drugs and Crime
GBV	Gender-based Violence	USD	United States Dollars
GDP	Gross Domestic Product	VSD	Vocational Skills Development
GOTAS	Local Governance WatSan in Niassa	WASH	Water, Sanitation and Hygiene
GPA	General Peace Agreement	WB	World Bank
HDI	Human Development Index	WFP	World Food Programme
IC Strategy	Switzerland's International Cooperation Strategy	WHO	World Health Organization
IDPs	Internally Displaced Persons	WoGA	Whole-of-government Approach
IESE	Institute of Social & Economic Studies		
INGD	National Institute for Disaster Management		
INGO	International Non Governmental Organization		
IOM	International Organization for Migration		
IMF	International Monetary Fund		
MERV	Monitoring System for Development-Related Changes		
MAP	Maputo Accord for Peace		
MSD	Market Systems Development		
MSMEs	Micro, small and medium sized enterprises		
NGO	Non-governmental Organization		
ODA	Official Development Assistance		
OECD-DAC	Organisation for Economic Co-operation and Development Development Assistance Committee		
P4H	Social Health Protection Network		
PCM	Project Cycle Management		
PEA	Political Economy Analysis		
PFM	Public Finance Management		
PHRD	Peace and Human Rights Division		
PRONASAR	National Rural Water Supply and Sanitation Programme		
PROSAUDE	Health Common Fund		
PSD	Private Sector Development		
RENAMO	Resistência Nacional Moçambicana		

# Foreword

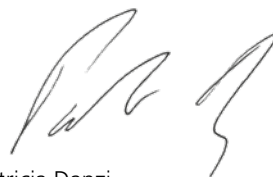
After a relatively prosperous period, high expectations for a development based on natural gas extraction and a Swiss-mediated 2019 Maputo Accord for Peace, Mozambique's 30 million citizens have again experienced serious setbacks and faced increased social and humanitarian needs. Armed conflicts, natural disasters, economic setbacks, reduced civil society space and the coronavirus pandemic have affected the positive development trajectory. Meanwhile, these challenges can be opportunities to enhance governance and service delivery towards greater stability and resilience in the country.

The Swiss Cooperation Programme Mozambique 2022–25 was developed in consultation with Mozambican and Swiss partners. It is aligned with the 2030 Agenda for Sustainable Development and the Swiss International Cooperation Strategy 2021–24. The Cooperation Programme renews Switzerland's commitment to support Mozambique in its efforts to reduce poverty and develop a more resilient, equitable and prosperous society. It builds on achievements and lessons learned from past cooperation, while concentrating on areas where Switzerland's comparative strengths add value, such as its standing as trusted partner in various development areas, humanitarian tradition, contextual knowledge and trusted networks in the crisis-affected provinces.

This Cooperation Programme will therefore work towards achieving two main objectives: improved access to quality basic services and enhanced sustainable employment and income, especially for youth and women. In the light of the volatile circumstances in the Northern provinces as priority areas, interventions will be implemented in the spirit of the development-humanitarian-peace nexus approach.

Given the interlinked challenges that Mozambique faces, Switzerland will strengthen its integrated approach in optimizing the involvement of federal agencies and use of foreign policy instruments to create synergies. Partnering with Mozambican government authorities, it renews its commitment to also amply collaborate with Mozambican and Swiss civil society organizations, which have profound experience to share. Further engaging with the international and local private sector aims at job creation and economic development.

I thank all those involved in establishing and implementing the strategic priorities set out in the present Swiss Cooperation Programme Mozambique 2022–25. I trust that the cooperation between the two countries will make a positive contribution to peace and sustainable development for the well-being of all the Mozambican people.



Patricia Danzi  
Director-General SDC

# Context

*Nation-building in the Republic of Mozambique is recent and challenging.* A mere two years after achieving independence from Portugal in 1975, the young country slid into a devastating civil war which lasted until 1992. After a relatively prosperous period between 1995 and 2015, Mozambique's 30 million citizens have again experienced serious setbacks and faced increased social and humanitarian needs. An armed conflict in Cabo Delgado province in the North, adverse implications of climate change and natural disasters, rapid population growth, contradictory decentralization reforms, reduced civil society space, and the coronavirus disease (COVID-19) pandemic have affected the positive development trajectory. Moreover, the country has yet to fully recover from the serious repercussions of a hidden debt scandal in 2016.

High expectations for the country's sustainable development linked to the extraction of huge natural gas reserves, mainly off the coast of Cabo Delgado (Annex 1), have not yet materialized, and will depend on the security situation, global developments in the energy sector, and transparent and accountable management of projected revenues.

## Political developments and security

*Recent developments continue to test popular trust in politics.* The Swiss-mediated 2019 Maputo Accord for Peace (MAP) was a historic milestone. Implementation has visibly advanced in the area of demobilization, disarmament and reinsertion (DDR) of fighters of the opposition RENAMO party, the centrepiece of the peace agreement. Another positive development was the holding of general elections in 2019 in accordance with the constitutional amendments ensuing from the MAP, which paved the way for the first direct election of provincial governors. However, expectations for more power sharing have so far been disappointed. FRELIMO's control over the state and the weakness of RENAMO enabled the ruling party to secure a sweeping victory at all levels. The creation of parallel structures at provincial level headed by state secretaries nominated by the President has led to an incomplete decentralization process with unclear responsibilities and task sharing, duplications and room for potential conflict. Nonetheless, a number of provincial administrations are demonstrating a strong will to improve the lives of their constituencies and enhance service delivery. But rapid progress is constrained by insufficient capacities of national and

sub-national government entities, contradictory laws and the lack of fiscal decentralization agreements.

The rule of law and human rights situation has deteriorated across the country. Civil society participation in government processes is restricted; the public's access to information is limited and freedom of expression has constantly shrunk over the years. At the same time, corruption is increasingly prosecuted and impunity for offenders is less tolerated by society. Yet, high-level trials seem politically motivated, and it remains to be seen how sustainable and far-reaching efforts to fight corruption will be.

Local grievances stemming from socio-economic and political exclusion, the lack of conflict-sensitive management of natural resources, and the infiltration by foreign armed groups have triggered a full-fledged conflict in Cabo Delgado between insurgents and the Mozambican security forces. At least 2,700 people have died since the first attacks in October 2017 and nearly 750,000 of the province's three million inhabitants are estimated to be internally displaced.

*Looking ahead, redefining national cohesion and creating economic and political space for the entire population are key challenges.* In the absence of a well-organized and strong opposition, power relations are likely to remain unequal. The momentum for institutional reforms will remain slow due to limited capacities, incomplete separation of powers and poor enforcement of the rule of law. While the DDR process is likely to be completed in the near future, decentralization and reconciliation are expected to continue haltingly. Debates around fiscal decentralization, especially in the context of natural resources exploitation, will remain high on the agenda of all stakeholders.

The local level will likely gain more political importance with the elections in 2024, which should include the first ever district-level elections. Improvements in transparency and domestic accountability for the equitable use of public resources will progress slowly, and the societal costs of continued corruption will remain significant. Civil Society Organisations (CSOs) and the media, although increasingly professional, will continue to face difficulties in countering the reduced civic space. Women, youth and the poor, particularly, lack perspectives and representation and are likely to face continued exclusion (Annex 2).



A lot will also depend on how the conflict in Cabo Delgado is tackled. The violent events will most likely continue to demand increased attention and resources, and the risk of spill-over into other northern provinces and neighbouring countries should not be underestimated. The long-term impact of the deployment of 1,500 soldiers of the Southern Africa Development Community (SADC) Mission in Mozambique (SAMIM) in June 2021 and of Rwanda's contingent of 1,000 soldiers is yet to be seen.

## Economic developments

*Following several shocks, the economy has been struggling.* For many years, Mozambique's average Gross Domestic Product (GDP) annual growth was among the world's highest. However, a debt scandal in 2016 and the devastating tropical cyclones Idai and Kenneth in 2019 led to an economic slowdown that significantly impacted employment and household incomes and increased poverty, inequalities and regional disparities. GDP growth dropped from 3.7% in 2017 to 2.31% in 2019.

The country's economic recovery, which had started thanks to externally-funded post-cyclone reconstruction and foreign direct investment (FDI) in natural gas extraction, has been set back by the growing conflict in the North and the COVID-19

pandemic. Growth forecasts for 2020 were downgraded from 5.8% to 0.8%. Uncertainties, inflation and currency instability have challenged macroeconomic management and affected private sector competitiveness. Official unemployment is 22.4%, but the level of underemployment in the economy is assumed to be significantly higher. For the large cohorts of young people ready to enter the labour market, the private sector has not generated sufficient jobs. The unemployment rate for youth is 43%, with young women disproportionately affected.

The agriculture sector provides employment opportunities to a large workforce in the informal economy, around 80% of the population depends on agriculture for their livelihoods. But agriculture on its own cannot absorb the growing employment needs of youth. Small farm productivity is low, doing business is costly, access to commercial markets is limited, and vulnerability to disasters such as pests, floods, drought and cyclones is high.

*Looking ahead, economic recovery is highly uncertain and vulnerable.* Macroeconomic projections, including Mozambique's fiscal outlook, are fraught with uncertainties related to COVID-19, the security situation and a high probability of regular shocks induced through climate change-related natural disasters. The speed at which interrupted FDI in the huge natural gas projects will be restored, the energy and services







sectors will recover, and agro-processing and trade will pick up again and drive economic recovery and increase domestic revenues is unpredictable.

Meanwhile, the crisis can be an opportunity to introduce coherent policies and strengthen economic governance to ensure greater economic stability and resilience, diversification and employment. The government is demonstrating openness to further improve the business environment for private sector development and job creation. This is particularly important for many women smallholder farmers who have less access to productive resources than their male peers and for youth who lack sufficient economic participation opportunities.

## Social and human development

*The political situation, natural disasters, economic setbacks and the pandemic have affected social and human development. Women, men, girls and boys face growing basic needs and livelihood challenges.* Notwithstanding a period of declining poverty until 2015, inequality has not improved. Mozambique finds itself at the bottom end of the Human Development Index (positioning it at 181 out of 189 countries and territories). Basic services such as health, water, sanitation and hygiene (WASH), education and social protection remain underfunded and underdeveloped despite increased public resources. Along with natural disasters, Mozambique's fast-growing population challenges the existing social infrastructure. COVID-19 mobility restrictions and the infection caseload have further restrained employment and household

incomes and access to basic services. Over eight million children were out-of-school for over a year and reports of domestic violence against women and children have increased. Overall, the poverty rate has increased to a very high 63.7% (2020).

The conflict in the Northern Province has led to enormous human suffering. Internally displaced people (IDPs) live in poor conditions, mostly in host communities. The already overstretched health, WASH and education systems are struggling to respond to the additional needs. Displaced women and girls are at particular risk of gender-based violence (GBV) and typically lack adequate access to perinatal and sexual and reproductive health (SRH) services. Of the four million people estimated to be food insecure in Mozambique, more than 900,000 are in or from Cabo Delgado.

*Looking ahead, poverty and vulnerabilities are likely to remain high.* While, according to the World Bank, poverty could very slightly decline to 63.1% by 2022 should economic recovery kick in early, poverty is more likely to remain high. Because of the very constrained fiscal space and limited capacities of the national and sub-national governments, the provision of much-needed public services, such as basic health, WASH, education, social protection and social safety nets for the most vulnerable, including in emergencies, is unlikely to see significant improvements and will continue to rely on external assistance. Implementation of laws and strategies aimed at promoting gender equality and reducing discrimination will remain challenging because of competing government priorities.



# Swiss Foreign Policy Objectives and the Donor Context

## Swiss interests and added value

Swiss international cooperation has been present in Mozambique since the late seventies and was strengthened in 1981 with the opening of a cooperation office, now an integral part of the Embassy of Switzerland in Maputo. Already after the first peace process that led to the 1992 General Peace Agreement (GPA) and ended the 16-year civil war, significant contributions were made to demobilization and rehabilitating the war-torn country. As chair of the international Contact Group, Switzerland played a key role in diffusing the renewed spike of violence by brokering the MAP in 2019, and remains committed in supporting the ongoing DDR implementation process.

Switzerland has continuously increased the level of its cooperation, combining the competences and resources of the Swiss Agency for Development Cooperation (SDC), the State Secretariat for Economic Affairs (SECO), the State Secretariat's Africa Division and the Peace and Human Rights Division (PHRD). A range of Swiss NGOs<sup>1</sup> are also present in the country and have profound experience to share with others.

Swiss cooperation is determined by the needs of partner countries and Swiss added value and long-term interests. Guided by the Swiss Foreign Policy Strategy 2020–2023, Switzerland's International Cooperation Strategy (IC Strategy) 2021–2024, the Sub-Saharan Africa Strategy 2021–2024, cooperation serves the promotion of peace, security and the rule of law as the foundations of prosperity and sustainable development. Specifically, the expansion of violent groups in the Northern part of Mozambique has repercussions for the protection of the population in the affected region and for Mozambique's economy and stability.

The region is also a market that offers a lot of potential. Switzerland has economic interests in the Southern Africa region with its large population and as one of the world's most important suppliers of raw materials. However, in general, the interest of the Swiss private sector in doing business with Mozambique remains modest.

Switzerland pays particular attention to providing high-quality expertise and assistance. Its comparative strengths add value - notably its good offices; its humanitarian tradition; its standing in Mozambique as convenor and trusted partner in decentralization and public finance management (PFM), social accountability and anti-corruption, land use rights, private sector development (PSD) in agriculture, vocational skills development (VSD), WASH and health; and its contextual knowledge, experience and networks in the crisis-affected northern provinces, especially Cabo Delgado.

## Donor landscape

Mozambique remains among Africa's largest recipients of official development assistance (ODA). ODA for Mozambique has not reached the funding level it had before the debt crisis in 2016 when external financing of the state budget was significantly reduced and ODA plummeted to around USD 55 per capita (compared to USD 90 in 2013). Donors are, however, responding positively to the multiple social and humanitarian needs of the population. In particular, additional international actors are supporting service delivery; new humanitarian actors have started to engage in Cabo Delgado. In 2019, net ODA received by Mozambique totalled USD 1,908 billion or approximately USD 63 per capita. Around one-third of bilateral aid (2018–2019 average) was directed to the health and population sector, followed by economic infrastructure and services (16%) and education (14%); 10% of bilateral aid was humanitarian assistance. Switzerland is a medium-sized donor in terms of financial volume. The top five development partners (2018–2019 average) are the United States (USD 437 million), the World Bank (USD 279 million), the Global Fund to Fight AIDS, Tuberculosis and Malaria (USD 140,9 million), Japan (USD 118,3 million) and the United Kingdom (USD 113,8 million).

The Swiss Embassy has a strong network with multilateral institutions and OECD-DAC bilateral donors. Switzerland has expanded its partnerships with multilateral donors; in addition to the IMF, the World Bank, WHO and IOM, new partnerships have been concluded with UNDP, UNODC, UNFPA, UNICEF and WFP. Its strength lies above all in its ability to bring its experience and cooperation on the ground to the institutional bodies of these multilateral organizations through policy dialogue.

<sup>1</sup> Helvetas, SolidarSuisse, Solidarmed, Swiss Contact, Terre des Hommes, Pestalozzi Foundation.

# Key Results 2017–2021 and Lessons Learned

Key results were achieved in the main thematic areas governance and peacebuilding, income and economic development, and health and WASH. Swiss humanitarian assistance provided life-saving relief in the aftermath of cyclones Idai and Kenneth in line with the thematic priorities of the longer-term engagement of Switzerland in Mozambique.

Cooperation was delivered in a context of delayed state budget execution, the devastating cyclones, and the COVID-19 pandemic. Particularly the latter considerably reduced mobility and activities of the Mozambique administration. Despite continuous adaptations to its interventions, Swiss-supported policy processes and programme implementation were hampered and delayed.

## Key achievements in governance

Under the governance outcome, Switzerland and its partners contributed to more equitable, efficient, transparent and accountable access to and use of financial and natural resources. Policy and programmatic interventions at central and sub-national levels focused on advancing decentralization and increasing civil society space and participation, combating corruption, and strengthening land use rights and land reforms. An important role was played in mediating the MAP, signed between FRELIMO and RENAMO in 2019. Subsequently, Switzerland supported DDR aspects of the peace accord to avoid the resurgence of armed hostilities.





### Also thanks to the Swiss cooperation with Mozambique...

- ... a legislative package on decentralization was approved as part of the MAP.
- ... a law for better inclusion of citizens and CSOs in local development processes was submitted to Parliament; the DUAT<sup>1</sup> (land titling) approach was integrated in national legislation; a decree protecting community rights in case of resettlement was issued; and a law on asset recovery and management (financial crime) was enacted by Parliament.
- ... 22 municipalities (out of a total of 53) developed local development plans through participatory processes; and 13 municipalities applied inclusive PFM and increased their local revenues by 5%, thus reducing their dependency on the central government.
- ... more than one million DUATs (land titles) were issued to private persons and communities.
- ... the state budget contains a budgetary provision for taxation on natural resource exploitation in support of the livelihoods of local communities.
- ... a multi-disciplinary anti-corruption team was established within the Attorney General's Office; in 2020, stolen assets worth USD 95 million were recovered.
- ... the Mozambican Platform of Women's Organizations against COVID-19 promoted effective participation of women in the national COVID-19 response, including prevention and mitigation; lobbying and advocacy; and documentation of effects of the pandemic on women.

<sup>1</sup> Direito de Uso e Aproveitamento da Terra (DUAT).

### Key achievements in income and economic development

Swiss interventions in the area of income and economic development focused on PFM and domestic revenue mobilisation to contribute to better economic management for inclusive growth and sustainable economic transformation. Expanded debt reporting coverage thanks to Switzerland was particularly relevant in the aftermath of the debt crisis in 2016. Market and income opportunities for smallholder farmers and micro-, small and medium sized enterprises (MSMEs) increased thanks to support for agricultural extension, increased crop productivity and financial inclusion.

### Also thanks to the Swiss cooperation with Mozambique...

- ... domestic revenue collection improved thanks to reduced tax evasion in trans-border trade, improved taxation of extractive industries, and the introduction of simplified tax collection procedures.
- ... improved revenue collection and management contributed to average yearly revenue growth of 9%, which improved the ratio to GDP from 22.0% in 2016 to 23.3% in 2019.
- ... reforms to strengthen fiscal management advanced, including control of state-owned enterprises and public guarantees, debt and fiscal risks management; and transparency improved.
- ... national seed certification was strengthened and the subsidized seed distribution system replaced by seed supply modalities based on market dynamics.
- ... around 67,000 smallholder farmers (46% women) and MSMEs gained improved access to services and market opportunities for their produce and products (557 buying posts), and increased their incomes by a total of USD 18.5 million.
- ... approximately 44,350 smallholder farmers (60% women) and MSMEs made use of newly introduced formal and informal financial services, including loans and savings, to purchase inputs and support community emergencies and livelihood initiatives. Micro-insurance and index-based agriculture insurance were introduced.



## Key achievements in health and WASH

Switzerland was well positioned to make a difference in the health and WASH sectors. Interventions focused on health financing, decentralized and better-quality health and WASH services. During 2017–2021, development and humanitarian interventions contributed to improved health and access to WASH services for vulnerable people living in rural areas of Mozambique, particularly in the Northern provinces.

### Also thanks to the Swiss cooperation with Mozambique...

- ... around 90,000 women, men, boys and girls gained access to safe and affordable drinking water, including 24,000 in the aftermath of cyclones Idai and Kenneth.
- ... roughly 196,000 women, men, boys and girls gained access to adequate sanitation.
- ... WASH activities in rural communities, schools and health facilities in Swiss-supported districts in Niassa province since 2016 contributed to zero cholera cases.
- ... the Joint Fund in support of the National Rural Water Supply and Sanitation Programme (PRONA-SAR) was reformed to align government and partner planning, monitoring and capacity building, and to stimulate results through a performance- and needs-based allocation formula.
- ... for the first time, the Health Common Fund PRO-SAÚDE allocated funds to the sub-national level using a health indicator-based methodology. Of the 88% of funds allocated to the sub-national level in 2019, 69% directly benefited districts in support of outpatient consultations, ambulance services, institutional births, and construction and rehabilitation of health centres.
- ... a pilot was initiated with the Cabo Delgado government for direct financial and technical support for health facilities to further advance decentralization in the health sector.
- ... hand sanitizer for northern Mozambique was locally produced through a public-private partnership as part of the national COVID-19 response, and Mozambique's preparedness and response capacities for future public health emergencies were strengthened.

## Lessons learned

The following lessons are of particular importance for the Swiss Cooperation Programme 2022–2025:

- Securing tangible benefits from the MAP agreements related to decentralization, necessitates greater clarity and alignment of the decentralization framework, enhanced capacity for fiscal and operational decentralization and strengthened local government capacities. Switzerland's local budget support for government authorities in Cabo Delgado and Niassa in the area of health promotion has been very successful. Expanding and scaling up this kind of partnership bears great potential.
- Weak PFM and the very limited fiscal space of the government is an overarching impediment, which can be cushioned by complementary donor interventions at macro-, meso- and local-levels.
- In spite of a number of positive developments, the national-level health sector budget support did not yield the expected reforms for improved service delivery. However, in general, good results were achieved in the areas where Switzerland opted for decentralized budget support. Experience shows that technical assistance to government bodies in areas where political will is high is an effective mode of supply-side engagement.
- The agriculture sector continues to provide employment and income and minimal food security for a significant number of smallholder farmers. However, it cannot give sustainable and longer-term opportunities for the estimated 500,000 young Mozambicans trying to enter the labour market every year. Other sectors offer attractive opportunities for youth to gain enhanced income and (self-) employment, such as manufacturing, processing, construction, trade and retail. Major constraints to unleash these potentials are the lack of professional skills, entrepreneurship and access to finance.
- The potentially increasing number of emergencies and protracted crises stemming from natural disasters, climate shocks, conflict and the COVID-19 pandemic requires more integrated humanitarian and development approaches. Hence, building the capacities of local-level government institutions to design responses and coordinate actors, as well as a more systematic integration of climate change, disaster risk reduction, resilience-building and emergency response measures into the Swiss programme portfolio is called for.
- Civil society contributions are key for development and improved accountability. Better integration of CSOs in decentralized service delivery programmes reduces the pressure faced by CSOs and ensures more localized engagement.



# Implications for the Swiss Cooperation Programme 2022–2025

Mozambique faces challenging times. In addition to the unpredictability of the COVID-19 pandemic, the situation in Cabo Delgado province is a matter of great concern for the whole country and its neighbours, even if insurgent attacks have decreased somewhat due to the presence of foreign combat units.

Considering the security situation in the North, the fact that energy companies have suspended their activities, and the global trend to reduce the consumption of fossil energy, it is uncertain if and when natural resources exploitation will significantly boost economic growth and improve the livelihoods and wellbeing of citizens. Moreover, there are no frameworks in place for economic diversification or for increasing agricultural productivity and enhancing resilience and competitiveness in order to absorb Mozambique's growing labour force. Country systems are not yet ready to efficiently, equitably

and effectively manage additional income flows in a robust and transparent manner.

The positive trend towards more decentralized decision-making and increased responsibilities of local government entities requires stronger local-level institutional planning and implementation capacities as well as local CSOs and NGOs that are equipped to advocate in a constructive manner for demand-oriented and equitable delivery of public services.

The main thematic areas of the Swiss Cooperation Strategy 2017–2020 remain relevant. Considering the dynamics of decentralization, Switzerland will increase its engagement in favor of accountable quality public service delivery, especially in health and WASH, and local economic development and focus more on the sub-national level.





The Cooperation Programme 2022–2025 will therefore work towards achieving two portfolio outcomes - i.e., improved access to quality basic services and enhanced sustainable employment and income, especially for youth and women. Collaboration with Mozambique will transition from a domain-focused to a cross-sectoral approach to policy dialogue, planning, programming and implementation. Gender and governance aspects will be integrated throughout both portfolio outcomes. While support for state institutions at all levels will continue, Switzerland will enhance its support to local CSOs, private companies and civil society.

Strengthening sub-national level PFM for increased revenue mobilization and more effective allocation of public revenues to social sectors will remain a clear priority in support of quality services and employment and income. At the same time, Switzerland will continue supporting central-level policy making and reforms for prudent macroeconomic management, with particular emphasis on fiscal transparency and fiscal risks management, and improvements to the economic governance system for managing revenues from natural resources exploitation. In the area of macroeconomic management, collaboration with the IMF and the World Bank will continue, mainly through SECO complementary measures.

Employment and income for the poor and young men and women will remain a core area of intervention. In order to absorb the hundreds of thousands of young people entering the labour market every year and to close gender gaps, investments in climate-resilient MSME development in rural areas and in market-relevant VSD, including some basic education elements, will be scaled up. Besides the agriculture sector, new markets with growth and employment creation potential will be targeted. In parallel, there will be an increased emphasis on supporting favourable conditions for doing business.

Promoting respect for human rights and humanitarian law will gain more importance in Swiss policy dialogue as well as

in its humanitarian and development activities. This will entail support for constructive relationships between duty bearers and rights holders to improve social cohesion (e.g. regarding access to land and GBV) as well as for youth participation and inclusion in decision-making processes.

Despite all difficulties, Switzerland will maintain its well-established position in the North of the country. Development cooperation will continue to focus on Nampula, Niassa and Cabo Delgado provinces where approximately a third of the Mozambican population lives. In the light of the volatile circumstances in the North, interventions will be implemented in the spirit of the development-humanitarian-peace nexus approach. Climate change and natural disasters will continue affecting the sustainable development of Mozambique. In line with the Swiss IC Strategy 2021–2024 priority to address climate change, resilience-building will be further strengthened throughout the portfolio. Disaster risk reduction measures and capacities to respond to natural disaster emergencies will be scaled up. New institutional partnerships and networks at national and regional levels will be explored. CSOs with local presence and knowledge of social dynamics will add great value to Swiss efforts.

The conflict in Cabo-Delgado province requires a multi-layered approach. Given the immense needs, Switzerland intends to reinforce its humanitarian offer, thus responding to immediate humanitarian needs, while strengthening longer-term development gains and resilience. From the perspective of prevention and transformation of conflict and violence, the situation in the North of Mozambique will be closely observed.

Swiss cooperation will benefit from its expanded partnerships with United Nations agencies to leverage policy dialogue at national and international levels, mainly in the area of decentralization, human rights, GBV, youth, disaster risk reduction and climate change.



# Strategic Orientation of the Swiss Cooperation Programme 2022–2025

The overall goal of the Swiss Cooperation Programme for Mozambique 2022–2025 is to contribute to poverty reduction by supporting efforts to build a more resilient, equitable and prosperous society. To this end, Switzerland will implement a programme designed along two broad Swiss portfolio outcomes: “Improved access to gender-responsive quality basic services, including in emergencies”, and “Enhanced sustainable employment and income for young men and women and the economically disadvantaged” (Annex 3).

PHRD will phase out its contribution to the peace agreement. Engagement in additional peace building and re-integration activities might be considered, provided Switzerland has an added value to offer. Switzerland will also remain committed to supporting the ongoing DDR process.

The cooperation programme aligns to the Government of Mozambique’s Five-Year Plan and contributes to sub-objectives of Switzerland’s IC Strategy 2021–2024, which in turn aligns to the SDGs. To achieve the Swiss portfolio outcomes and their associated outcomes (Annex 4), Switzerland will work at the policy and institutional levels and support rights holders.

## Swiss portfolio outcome 1: Improved access to gender-responsive quality basic services, including in emergencies

The outcome contributes to the following SDGs:



**Outcome 1.1: Public institutions effectively mobilize and utilize resources to finance equitable services in an accountable manner**

**Outcome 1.2: Public and private sector institutions and CSOs deliver gender-responsive and accountable quality basic services that leave no one behind**

Recognizing the importance of improved service delivery, enhanced government credibility and social cohesion, Switzerland will continue its collaboration in the area of human and social development in support of Mozambique’s goal to expand and improve the population’s access to public services.

To achieve this Swiss portfolio outcome, the programme will strengthen core state institutions and local authorities to be more efficient and effective in a systemic and sustainable manner; to be more responsive and accountable to the basic service needs of women, men and youth. Through technical assistance and policy dialogue, Switzerland will contribute to strengthening PFM by supporting improved policy-based planning, budgeting, fiscal risk management, public investment, asset liability management and fiscal decentralization. It will support improved domestic revenue mobilization and man-

## Examples of key interventions 2022–2025:

- Work on gender-sensitive PFM, planning and implementation capacities of municipal, district and provincial government entities.
- Strengthen tax policy and administration, and promote equitable land use and natural resource management.
- Work on social cohesion by strengthening local CSOs and empowering citizens to enter into a constructive dialogue with government.
- Support asset recovery and management capacities.
- Strengthen capacities of local government and communities in health, hygiene and sanitation, including comprehensive sexuality education for young people.
- Integrate climate change and resilience components into service delivery programmes and establish light mechanisms to rapidly respond to crisis situations.

agement, through enhanced tax policy and administration, support for improved public asset recovery and management as well as improved legislative framework for fighting corruption. The programme will further provide sector budget support in support of central and decentralized governments to expand service delivery outreach and facilitate the inclusion of private and civil society service providers to deliver improved and climate change-resilience services and infrastructure, specifically in the underdeveloped health (with a focus on SRH and GBV), WASH and social protection sectors, which benefit the most vulnerable, especially poor young women and IDPs. Targeted support for civil society will ensure improved demand and supply-side cooperation and enhance participation of rights holders in decision-making processes and accountability of duty bearers. Policy dialogue at all levels will remain key.

Thanks to strengthened systems and anticipated higher fiscal transfers to the local level and higher spending on essential services, population coverage and user satisfaction will increase and livelihoods will improve. Inequalities and poverty will decline and trust between citizens and governments will increase.

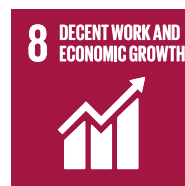
Work on basic service delivery strongly builds on the Government of Mozambique's continued commitment to invest in these key areas and its ability to grow its fiscal space. It will depend on how decentralization reforms are articulated and the willingness to give more decision-making power to the decentralized level. However, there is a risk that the armed conflict intensifies and spreads, thus absorbing public resources for defence and security and compromising development gains.

### Examples of key interventions 2022–2025:

- Facilitate economically viable linkages of agricultural producers/MSME with input and output markets
- Facilitate access to formal/informal financial services and improved production technologies
- Enhance entrepreneurial and vocational skills (with a basic education component for youth and adults such as basic literacy and numeracy skills)
- Support research and analyses to inform policy dialogue and to formulate conducive policies, strategies, regulations and guidelines in core intervention areas such as agro-economic development, access to financial services, skills development etc.),
- Support initiatives to enhance climate change resilient production

## Swiss portfolio outcome 2: Enhanced sustainable employment and income for young men and women and the economically disadvantaged

The outcome contributes to the following SDGs:



*Outcome 2.1: Resilient female and male smallholder farmers and MSMEs have increased access to market opportunities and generate additional income and employment*

*Outcome 2.2: Female and male smallholder farmers and MSMEs have improved access to financial services, relevant skills and operate in an enabling business environment*

During 2022–2025, Switzerland will consolidate its support for improved framework conditions and policies and practical local-level engagement in the area of employment and income in the context of COVID-19 and uncertain economic growth and in support of the Government of Mozambique's priority to enhance economic growth, productivity and employment creation.

To achieve this Swiss portfolio outcome, the programme will apply a market systems development approach (MSD) to address key challenges of selected agricultural and non-agricultural value chains in rural and peri-urban areas (e.g., lack of skills and access to financial services, missing input-output market linkages). As much as possible, programmes will explore opportunities to integrate the poorest strata of the population into economically viable value chains. However, in contexts with severely limited market potential such as very remote rural areas, contributions to government or other donor initiatives targeting social protection might be considered to ensure minimal economic livelihoods.

A range of targeted policy and macroeconomic interventions will improve the business environment, support stronger market systems, and support youth (especially poor young women), smallholder farmers and MSMEs to pursue more gainful income-generating and business opportunities and recover from external shocks, thus increasing and stabilizing incomes, improving livelihoods and reducing poverty.



Throughout the economic portfolio, Switzerland will promote gender equality and social inclusion. It will facilitate dialogue platforms allowing CSOs (specifically youth and women) to participate in and influence the national and sub-national government-related decision processes related to socio-economic development, as well as platforms for economic development stakeholders to promote and advocate for more inclusive and sustainable MSD approaches. Working in economic development, the programme will systemically integrate climate change analysis (e.g. CEDRIG tools) and practices into its projects to enable stakeholders to respond to climate change impact. Where relevant, it will support stand-alone innovative climate change interventions. In view of the increasing number of IDPs, the programme will explore opportunities to include them in Swiss-supported economic development programmes and/or to define shorter-term humanitarian interventions to improve their employment and income situation.

The income and employment portfolio strongly builds on the Government of Mozambique's recognition of the role of the private sector in development and poverty reduction and its continued stimulation of private sector partnerships. It is based on the assumption that current infrastructure conditions that enable the private sector to operate and grow are maintained; that political decentralization and local governance will enable the creation of local development models; and that the established private sector is willing to explore new markets and engage in youth employability.

### Transversal themes and civil society empowerment outcome

Two transversal themes cut across Swiss interventions to improve livelihoods and wellbeing in Mozambique - i.e., gender and governance.

Swiss cooperation in Mozambique has a strong gender equality dimension, which it will maintain and expand as a collective and common responsibility of Swiss Embassy and partner staff. Switzerland integrates gender in programme design and implementation, including monitoring. It partners with organizations fighting for gender equality and implementing gender-specific programmes that improve women's social and economic wellbeing and engage men and boys. Gender equality is also championed in policy dialogue with the Government of Mozambique and other donors.

The cooperation programme integrates principles for good governance in all interventions as a means of transformation, and taking into account increased fragilities and authoritarian tendencies. It does so through policy dialogue and dedicated programmes to advance systemic changes and strengthen institutional capacities at the central and decentralized levels. This is translated into a transversal outcome with indicators, targets and budget emphasises the centrality of civil society empowerment for achieving both Swiss portfolio outcomes.

### Civil society empowerment outcome: Empowered citizens and the local private sector advocate for and monitor demand-oriented service provision, human rights and locally-driven socio-economic development

The outcome contributes to the following SDGs:



Under the transversal civil society empowerment outcome, Switzerland aims to slow down the shrinking civic space and strengthen democratic values and participatory planning and budgeting. The Swiss programme will promote an environment in which CSOs, the private sector and the population (in particular youth and women) have greater opportunities to express themselves freely and in which they actively participate in governance processes from the locality up to the provincial and national levels. Consequently, policies, plans and programmes are more responsive to the needs and perspectives of women and men, male and female youth and girls and boys, and better protect and promote human rights.



## Management and Implementation Modalities

*Whole of Government Approach WoGA:* Given the comprehensive and interlinked challenges that Mozambique faces, Switzerland will strengthen its integrated approach to programming and optimize the mix of federal agencies and use of foreign policy instruments to create synergies. The Swiss Embassy will ensure that development cooperation and humanitarian aid are coordinated with SECO complementary measures in macroeconomic support and private sector development as well as with support provided by PHRD and DPA. The embassy will also engage in more intensive exchange with SDC global programmes<sup>2</sup> and other Swiss rep-

resentations in the Eastern and Southern Africa region with similar programme priorities and affected by turmoil in the border regions.

*Humanitarian assistance and nexus:* Given the conflict in the North, the COVID-19 pandemic and climate change-related needs and risks, it has been decided to extend Swiss humanitarian assistance for the four-year period. An important step has been taken with the secondment of a humanitarian assistance staff member to the Swiss Embassy to work on WASH and protection from violence and on people's dignity and human rights, and to participate in humanitarian coordination and advocacy. Switzerland applies humanitarian aid and development cooperation instruments in a con-

<sup>2</sup> E.g., SDC global programmes on health, water, food security, climate change.

nected manner, thus strengthening development gains and resilience while responding to humanitarian needs (nexus). Furthermore, the programme will use its operational and financial flexibility to adapt its portfolio and disbursements to sudden context changes requiring specific humanitarian aid responses.

*Conflict-sensitive programme management (CSPM):* The fragile and conflict situation in Mozambique calls for a more consequent application and integration of conflict-sensitive programme management and adaptive approaches into programme and project design and implementation, especially in the northern focus provinces of Mozambique. The embassy will widely share knowledge about the CSPM approach to partners and other stakeholders.

*Partnerships and private sector engagement:* Switzerland has traditionally provided around half of its ODA through the public system. It will continue partnering with Mozambican government authorities at central and sub-national levels to implement the present cooperation programme. During 2022–2025, it will also establish direct collaboration with newly established government structures at provincial and district levels. As in the past, Switzerland will also engage in ample collaboration with CSOs and Mozambican and international NGOs and think tanks, including Swiss NGOs and academia. It will seize opportunities for more cooperation with multilateral development and humanitarian organizations at the policy and programme levels, thus also contributing to United Nations development system reforms at the country level. Switzerland also aims to scale up engagement with the international and local private sector, including social entrepreneurs and impact investors, for providing and financing solutions for scaling up job creation and economic development and broader basic service coverage.

*Donor coordination:* Coordination with donors and other actors is important to maximize efficiencies and avoid duplication of work. Switzerland is member of donor coordination platforms in Mozambique. It will pro-actively engage and support improved coordination of the increasing number of actors that are offering to assist the Government of Mozambique in addressing the manifold challenges, especially in the Northern provinces and in the areas of VSD, decentralization, PFM and support for CSOs.

*Culture:* Values, beliefs, arts and cultural practices are key influences on political, economic and social development processes. Switzerland will scale up its cultural engagement to create spaces that are politically less charged to promote diversity, reconciliation and the freedom of expression through artistic expression. Sports and culture may also be integrated into development and humanitarian interventions to boost self-esteem and confidence, resolve conflict and promote social cohesion.

*Finances:* SDC and SECO have committed funds for implementing this cooperation programme (see Table and Annex 5). Mozambique will also benefit from additional Swiss

funding - i.e., through SDC<sup>3</sup> and SECO<sup>4</sup> global and regional programmes, as well as through contributions to international and multilateral organizations and initiatives active in the country.

**Table: Financial Resource Planning 2022–2025 (Mio CHF)**

Direct commitments in Mozambique	2022	2023	2024	2025	Total
South Cooperation SDC	24	26	28.5	30.5	109
Humanitarian Aid HA (estimate)	1	1	1	1	4
State Secretariat for Economic Affairs (SECO)*	n.a.	n.a.	n.a.	n.a.	n.a.

\* Given that SECO operates in Mozambique within its framework of complementary measures, there is no country budget and, hence, it is not possible to make a projection on the financial resource planning for the years 2022-2025. SECO has already committed funds for a PFM capacity development programme with the Ministry of Economy and Finance and implemented by IMF. Further, it provides support through dedicated country activities channelled through its global and regional programmes.

3 SDC global- and regional programmes contribute to projects or funds that are partially for the benefit of Mozambique. The budgets are under the responsibility and management of SDC headquarters in Switzerland.

4 SECO provides support through bilateral as well as global and regional programmes. The global and regional programmes form a large part of SECO's interventions in Mozambique. Examples are the support through the Strategy, Performance Measurement and Reporting Program implemented by the INTOSAI Development Initiative, which strengthens Mozambique's Supreme Audit Institution by supporting their strategic and operational planning. Similarly, it supports the Extractive Industries Transparency Initiative and, related to this engagement, contributes to improving Mozambique's management of extractive income through dedicated country activities that form part of the Extractives Global Programming Support Program.





# Strategic Steering

The Swiss Cooperation Programme for Mozambique 2022–2025 is subject to regular monitoring in order to keep track of the effectiveness and efficiency of the Swiss portfolio and its relevance to intended beneficiaries. Specifically, monitoring serves the three-fold objective of (1) programme steering; (2) accounting for results; and (3) continuous learning.

Monitoring the cooperation programme is the responsibility of the Swiss Embassy. The monitoring system emphasizes national objectives; achievements of Swiss cooperation are understood as a contribution to achieving these objectives. Monitoring integrates data and observations at country and Swiss portfolio levels and focuses on change at the level of outcomes (institutional and societal change).

The implementation of the cooperation programme is monitored at four different levels (see Table):

- i) Development of the wider country context and sector-specific relevant contexts;
- ii) Progress towards selected national development and humanitarian outcomes;
- iii) Achievement of Swiss outcomes (Annex 4), including against Thematic Reference Indicators (TRIs) and Aggregated Reference Indicators (ARIs) that allow Switzerland to communicate on aggregate achievements across priority countries;
- iv) Embassy performance assessed along selected programme management dimensions.



**Table: Overview monitoring system**

	<i>Level</i>	<b>Focus area</b>	<b>Instrument</b>	<b>Periodicity</b>
(i)	<b>Country context</b>	Overall country context as relevant to Swiss cooperation programme	MERV <sup>5</sup> Political report Economic report HR report	At least annually (September)
(ii)	<b>Country results</b>	Progress towards country development and humanitarian outcomes included in the Swiss cooperation programme results framework	Annual report	Annual review (October)
(iii)	<b>Swiss portfolio results</b>	Achievement of Swiss outcomes included in the Swiss cooperation programme results framework against selected indicators and contribution to country outcomes	Annual report Reviews, evaluations and studies	Mid-year review (May) Annual review (October)
(iv)	<b>Management results</b>	Achievement of management results included in the Swiss cooperation programme results framework in support of efficient and effective programme implementation	Annual report Office management report Financial reports/audits Internal controls system report	Annual review (October)

<sup>5</sup> Monitoring System for Development-related Changes.

## Annex 1: Map of Mozambique





Map No. 3706 Rev. 6 UNITED NATIONS  
May 2016


Department of Field Support  
Geospatial Information Section (formerly Cartographic Section)


# Annex 2: OECD Gender Index

Country	Mozambique
SIGI 2019 Category	Low
SIGI Value 2019	24%

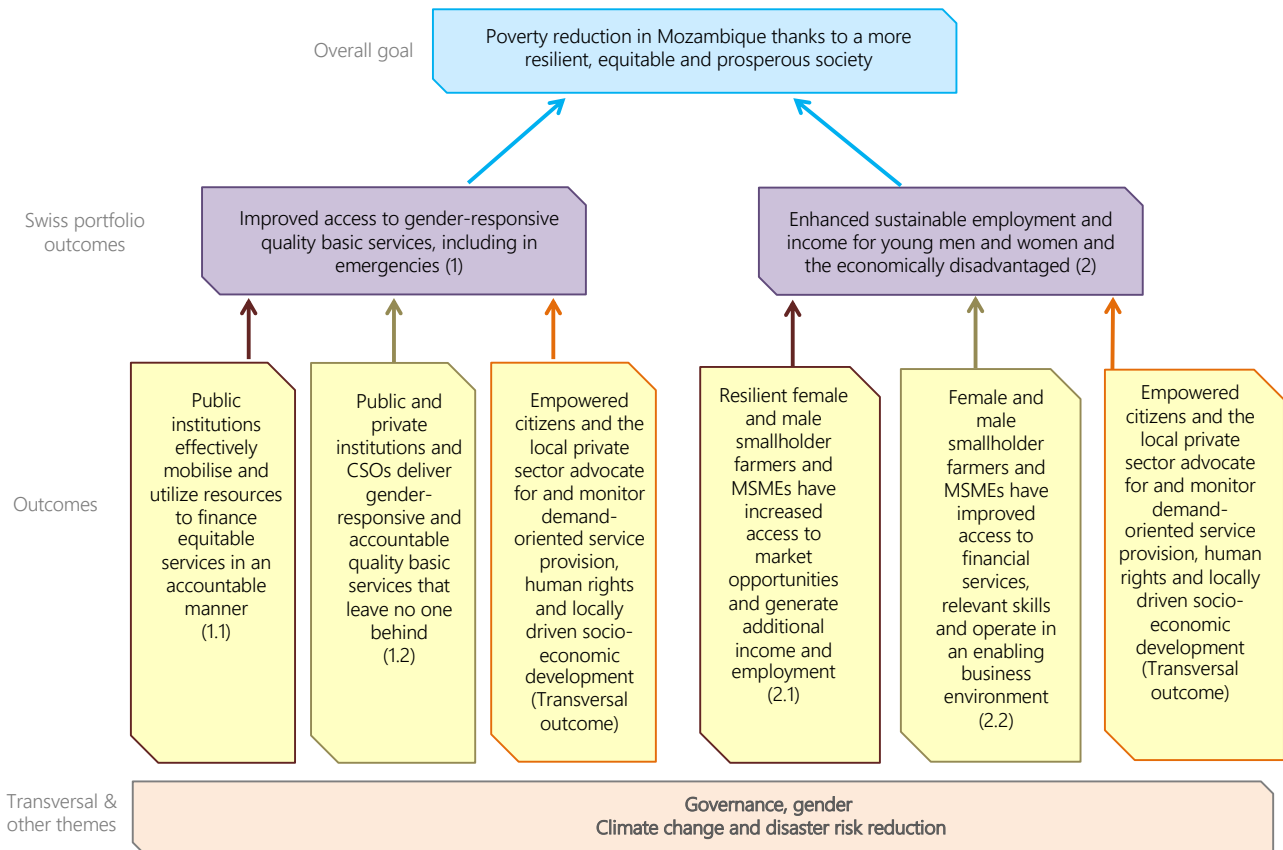
Discrimination in the family		32%
	Legal framework on child marriage	50%
	Percentage of girls under 18 married	41%
	Legal framework on household responsibilities	50%
	Proportion of the population declaring that children will suffer if mothers are working outside home for a pay	-
	Female to male ratio of time spent on unpaid care work	-
	Legal framework on inheritance	25%
	Legal framework on divorce	0

Restricted physical integrity		15%
	Legal framework on violence against women	75%
	Proportion of the female population justifying domestic violence	23%
	Prevalence of domestic violence against women (lifetime)	22%
	Sex ratio at birth (natural =105)	105
	Legal framework on reproductive rights	0%
	Female population with unmet needs for family planning	23%

Restricted access to productive and financial resources		15%
	Legal framework on working rights	0%
	Proportion of the population declaring this is not acceptable for a woman in their family to work outside home for a pay	14%
	Share of managers (male)	76%
	Legal framework on access to non-land assets	0%
	Share of house owners (male)	82%
	Legal framework on access to land assets	0.25
	Share of agricultural land holders (male)	77%
	Legal framework on access to financial services	0%
	Share of account holders (male)	59%

Restricted civil liberties		33%
	Legal framework on civil rights	75%
	Legal framework on freedom of movement	0
	Percentage of women in the total number of persons not feeling safe walking alone at night	49%
	Legal framework on political participation	50%
	Share of the population that believes men are better political leaders than women	-
	Percentage of male MP's	60%
	Legal framework on access to justice	0%
	Share of women declaring lack of confidence in the justice system	45%

# Annex 3: Results Framework Synopsis





# Annex 4: Results Framework Swiss Cooperation Programme Mozambique 2022–2025

**Overall Cooperation Programme Objective: To contribute to poverty reduction by building a more resilient, equitable, and prosperous society**

## Swiss Portfolio Outcome 1: Improved access to gender-responsive quality basic services, including in emergencies Contributing to Sub-objectives of the IC Strategy 2021–2024:

Sub-objective 7: Strengthening equitable access to quality basic services

Sub-objective 9: Strengthening and promoting human rights and gender equality

Sub-objective 10: Promoting good governance and the rule of law and strengthening civil society

**Theory of change:** IF through the Swiss programmes, the capacities of central and decentralised authorities for the management of public finances and service delivery are strengthened and if participatory planning and budgeting processes are developed from the locality level up to the district/provincial level, THEN the state and the public finance system will be more transparent, sustainable, efficient, inclusive and accountable leading to improved allocations for delivery of services that benefit the wider population including women; the trust between citizen and governments increases; citizens (women and men, male and female youth, girls and boys) have better access to public services and increase their livelihoods, thus reducing inequality and poverty.

(1) Swiss portfolio outcome	(2) Contribution of Swiss programme	(3) Country development outcome
<p><b>Outcome 1.1</b> <b>Public institutions effectively mobilize and utilize resources to finance equitable services in an accountable manner</b></p> <p><b>Indicators:</b> 1.1.1 % of increased revenue/resource mobilisation of public institutions at national and decentralised levels, with Swiss support</p> <p>Source: project reports/surveys (GIZ, UNCDF, UNDP, GOTAS, CD Health programme), annual fiscal statements of national and sub-national government entities (provincial, district, municipalities) Baseline 2022: tbd Target 2025: tbd</p> <p>1.1.2 Improved (in number and quality) expenditure management in Swiss supported Government institutions (municipalities, national, provinces and districts) towards improved service delivery (<b>Local indicator</b>)</p> <p>Dimension of the indicator: 1. Reduce gap between allocated resources and execution: % of annual execution 2. % of non-qualified audits 3. % of public investments spending budgeted under cost-benefit and economic criteria Source 1: Project surveys and reports (GoTAS, CD Health Promotion Programme, GIZ, UNCDF, UNDP, IMF-PFM), PFM diagnostic tools such as Public Expenditure &amp; Financial Accountability (PEFA), Governance Barometer IESE (good governance index at municipality level)</p>	<p>The Swiss programme contributes to stronger and more effective State in terms of public finance management and accountability by enhancing state capacities at central and subnational levels in selected areas like fiscal management, resource mobilisation to deliver more inclusive and better quality services delivery, thereby influencing policies.</p> <p><b>Assumptions:</b> → Agreements on decentralisation reforms from the Peace process are implemented → State reforms on decentralisation and public financial management remain a priority → Fiscal transfers increase from central level to Provinces → Treasury management functions are performed at province and district levels → Roles and competences of government institutions at provincial level are further clarified → Technical assistance and policy dialogue in critical areas of revenue management, prudent fiscal management and transparency are demanded from partner institutions and contribute to enhanced institutional capacity → Economic stability is maintained and government is willing to enhance policies and strategies for sustained economic growth and domestic revenue mobilization in context of increased challenges to manage the wealth from extractive industries → Elections in districts are held in a transparent manner → Decentralization is deepened, giving greater involvement and inclusion of citizens to exercise citizenship</p>	<p><b>Outcome 1.1</b> <b>Improved and balanced macroeconomic environment and strengthened public financial management systems for efficient provision of public services, with emphasis on decentralized governance and institutional capacity</b> (Source: Government of Mozambique's Five-Year Development Plan ; PQG 2020–2024)</p> <p><b>Indicators:</b> Number of Provinces with decentralised governance bodies established and functioning Source: Five-Year Government Plan Baseline 2019: 0 Target 2025: 11</p> <p>% of resources allocated to social and economic priority areas Source: Five-Year Government Plan, State Budget Baseline 2021: 63.1 % of total budget (2019) Target 2025: 65.2% of total Budget (2024)</p> <p>% of government spending on essential services (health, water, social protection) (<b>SDG 1.a.2</b>) Source: Annual State Budget Reports Baseline 2022: tbd Target 2025: tbd</p> <p>% of budget allocated and executed at decentralized level Source: Visão das Finanças Públicas (pag. 113), State Budget Baseline 2021: 40.3% (as in budget 2022) Target 2025: 50% of the State Budget</p>

<p>Baseline: GoTAS, Cabo Delgado Health Promotion, IMF-PFM  Target 2025: Municipality level: 7 out of 9 supported municipalities in Nampula and Niassa improved average score by points  Source 2: Other sources such as Open Budget Initiative, WB, Public Exp. Review  Baseline 2022: tbd  Target 2025: tbd</p> <p>1.1.3 Gender considerations included in the PESOD and PDD influencing selection of projects and actions by local government decision makers (contribution to ARI GEN 5)  Source: UNCDF, PESOD and PDD, GoTAS, CD Health  Baseline 2022: tbd  Target 2025: tbd</p>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>→ No progress in the implementation of decentralization reforms</li> <li>→ Slowdown of PFM reforms and change of priorities, as natural resource revenues increase</li> <li>→ Deterioration of economic conditions stemming from conflict leads to crisis and shift of public spending priorities towards defence and security.</li> <li>→ Sustained absence of state institutions in certain districts due to conflict</li> <li>→ Spread of Covid-19 lead to reduced public services</li> <li>→ Increased number of IDPs</li> </ul>	<p>% of domestic revenue relative to GDP (national level, disaggregating contribution of extractive industries)  Source: Annual State Budget Execution Reports  Baseline 2021: 24.1% (2020)  Target 2025: 27.6% (2024 – CFMP 2022–2024)</p>
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<p><b>Outcome 1.2</b>  <b>Public, private institutions and CSOs deliver gender responsive, accountable, quality basic services that leave no one behind</b></p> <p><b>Indicators:</b>  1.2.1 Satisfaction of women, men and youth (m/f) with basic services provided by local government</p> <p>Sources: UNCDF report , GoTAS, Cabo Delgado Health Promotion (score cards / perception survey once a year)  Baseline 2022: Baseline questionnaire in Year 1  Target 2025: +60%</p> <p>1.2.2 Number of people (m/f) using safely managed drinking water services (in Swiss Intervention regions) (<b>WAT_ARI_1</b>)  Source: Project surveys and reports (GoTAS, CD Health Promotion, PRONASAR, future humanitarian interventions)  Baseline 2022: tbd  Target 2025: tbd</p> <p>1.2.3 Number of people (m/f) that gained access to improved sanitation and hygiene services<sup>1</sup> (in Swiss Intervention regions) (<b>WAT_ARI_2</b>)  Source: GoTAS, Cabo Delgado Health Promotion, PRONASAR, future humanitarian interventions  Baseline 2022: tbd  Target 2025: tbd</p> <p>1.2.4 Number of adolescents and young people (m/f) reached with SRHR, GBV, HIV services  Source: Safeguard Young People, GoTAS, CD Health Promotion, Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria  Baseline 2022: tbd  Target 2025: tbd</p> <p>1.2.5 Number of persons reached in emergency situations (<b>HA ARI 1</b>)</p> <p>Source: Project surveys and reports  Baseline 2022: tbd  Target 2025: tbd</p>	<p><b>Contribution of Swiss programme</b>  The Swiss programme contributes to enhanced capacities of public and private institutions in selected areas like health, WASH, social protection in order to deliver more inclusive and better-quality basic services, in particular to the most vulnerable, including poor young women and IDPs.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>→ Mozambican government manages to keep Covid-19 epidemic in check and health service provision continues without major shocks</li> <li>→ Roles and competences of government institutions at provincial level in the context of the decentralization reform become clearer and leaner</li> <li>→ Increased transparency in public contracting processes</li> <li>→ Planning and monitoring processes are transparent and inclusive (gender, marginalised groups, youth)</li> <li>→ Increased interest of private sector to engage in basic water service delivery due to transparent public contracting processes</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>→ (Northern) Mozambique is hit again by natural hazards (cyclones, floods) leading to destroyed or damaged health facilities, water and sanitation infrastructure and thus compromising development gains achieved</li> <li>→ Conflict in Cabo Delgado becomes more intense and spreads into more districts/ provinces; IDP numbers increase further burdening the provision of basic services</li> <li>→ Rural water and sanitation in general, and the government's PRONASAR programme in particular, remains low on the agenda of the government</li> <li>→ Insufficient and inadequate funding to the social and economic sectors responsible for the provision of basic service delivery and high donor dependency for social sectors</li> <li>→ Covid-19 pandemic spreads and hampers development gains</li> <li>→ Improvements in the health sector jeopardized by rapid population growth</li> <li>→ Increased number of IDPs</li> </ul>	<p><b>Outcome 1.2</b>  <b>Expanded access and improved quality of Health Services and WASH infrastructure</b> (PQG Pillars on human development and social and economic development)</p> <p><b>Indicators:</b>  Increased level of user satisfaction with the quality of services provided by the Public Administration  Source: Health Sector Strategic Plan 2021 – 2024  Baseline: tbd  Target: tbd</p> <p>% and number of men and women having access to water infrastructure in rural areas  Source:  Baseline 2022: tbd  Target 2025: tbd</p> <p>% and number of people who use adequate sanitation infrastructure in rural areas  Source:  Baseline 2022: tbd  Target 2025: tbd</p> <p>% of new users of modern methods of Family Planning  Source: Health Sector Strategic Plan 2021 – 2024  Baseline: tbd  Target: tbd</p>
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<sup>1</sup> including IDPs in emergency situation



#### (4) Lines of intervention

**Outcome 1.1.** State institutions effectively mobilize and utilize resources to finance equitable services in an accountable manner

- Policy dialogue and PFM capacity strengthening support to Ministry of Economy and Finance regarding improved domestic revenue mobilization and management (incl. natural resource revenue management), policy-based budgeting, management of fiscal risks, and coordination between territorial and sectorial government levels.
- Strengthen PFM capacities of state institutions at central and subnational level to deliver good quality services in a transparent and accountable manner (revenue mobilization, public resource management, gender-sensitive planning/budgeting etc.).
- Capacity building support to the General Attorney's Office and the Ministry of Economy and Finance to enhance asset recovery and management and to improve the legislative framework to fight financial crime and corruption.
- Support governments of Cabo Delgado, Niassa and Nampula province in the formulation and implementation of service delivery strategies and coordination among the 3 provinces
- Support increased capacity of communities to participate in service delivery related government planning and budgeting processes.

**Outcome 1.2:** Public, private institutions and CSOs deliver gender responsive, accountable, quality basic services that leave no one behind

- Technical assistance and budget support to central and decentralized public works, water and health authorities to deliver good quality and gender sensitive WASH, health and other services to communities (infrastructure; promotion of hygiene, sanitation and health measures etc.)
- Support capacity building of civil society based organisations (WASH/health committees, CBO's, CSO's etc.) to sustainably contribute to the rehabilitation/maintenance of community WASH infrastructure to promote basic hygiene, sanitation, health, and to ensure equal access to those services.
- Address sexual and reproductive health and rights (SRHR) needs of adolescents and young people.
- Continued engagement in policy and donor coordination dialogue on conducive framework conditions and good practices to strengthen decentralized public service delivery.
- Support to strengthening local governments' capacities in creating public spaces for dialogue on conflict management, social cohesion, transparency and inclusion.
- Provision of emergency assistance to natural disaster and conflict affected communities and IDP's (with a focus on WASH, health and social protection) and support to Swiss NGO's to establish of a rapid response mechanism to immediately respond to upcoming emergency needs.

#### **Gender:**

- Inclusive institutions through i) gender planning and budgeting in health and water in order to formulate plans and budgets that integrate women's and girls' specific needs (UNCDF, potentially CD Health, GoTAS, social cohesion), ii) inclusive policies and accountability mechanisms for the promotion and protection of adolescents and young people's rights with a focus on sexual and reproductive health rights, iii) Capacity building on gender equality and menstrual hygiene management of the institutions supported.
- Participation of women and young people in decision making through: i) targeted information/communication about women's possibilities and added-value to participate in water and health committees and consultative councils, ii) training of women in specific fields (leadership skills, participative planning, financial management, technical skills like repair of hand pumps)

#### **Governance:**

- Support and strengthen an enabling environment for the promotion of social accountability and public participation mechanisms (through work with Provincial Assemblies, district development observatories and inclusive community involvement at health facilities (committee's co-management, WASH committees applying good governance principles etc.)
- Application PEA and CSPM to address the underlying power dimensions and formal/informal rules and norms through adaptive programming. CSOs and private sector are supported to increase their advocacy and capacities to strengthen local problem-solving mechanisms.

#### **Climate Change:**

- Support climate change sensitive public service delivery planning, budgeting and implementation
- Ensure resilient construction of WASH and health infrastructures and integrate DDR approach in WASH and health related PCM
- Support CSOs, media, social media to address climate change issues with and by youth (social accountability, local planning and budgeting, advocacy etc.)

#### (5) Resources, partnerships (Swiss Programme)

**Financial Resources/Budget:** CHF 61.4 Mio

**Partnerships:** Ministry of State and Public Administration, Ministry of Economy and Finance, Ministry of Water, Ministry of Health; Ministry of Land and Environment, Province, District and Municipal governments in Niassa, Cabo Delgado, and Nampula Province; Association of Municipalities (ANAMM), Multilateral Organisations: UNICEF, WHO, UNPD, IMF, UNCDF, WFP, IOM; UNFPA; national and local civil society organisations, private sector (health and water sector), Basel Institute on Governance, INGO's (Helvetas, Untied Purpose, SNV, SolidarMed, SolidarSwiss), GIZ

**Modalities:** Sectoral budget support to government; core contributions to civil society and multilateral organisations; project contributions to INGO's and multilateral organisations; mandates

## Swiss Portfolio Outcome 2: Enhanced sustainable employment and income for young men and women and the economically disadvantaged

### Contributing to Sub-objectives of the IC Strategy 2022–2025:

Sub-objective 1: Strengthening framework conditions for market access and creating economic opportunities

Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs

Sub-objective 9: Strengthening and promoting human rights and gender equality

**Theory of change:** IF gainful income-generating opportunities for young men and women and the economically disadvantaged are created, IF male and female smallholder farmers are more resilient and increase their access to input and output markets and IF MSME's have access to better skilled labour force and supporting services THEN economic growth, productivity and employment creation will increase BECAUSE the government is committed to stimulate private sector growth and the Swiss support to the policy reform process is effective, therefore the private sector has the confidence to increase its investment in rural and peri-urban areas.

(1) Swiss portfolio outcome	(2) Contribution of Swiss programme	(3) Country development outcome
<p><b>Outcome 2.1</b> <b>Resilient female and male smallholder farmers and MSMEs have increased access to market opportunities and generate additional income and employment.</b></p> <p><b>Indicators:</b></p> <p>2.1.1 Number of persons (m/f/age) having new or better em-employment (<b>IED ARI 2</b>) Source: surveys and project reports (Skills for Youth Economic Empowerment (SYEE), new PSD project in design, Inovagro+) Baseline 2022: 0 (to be established) Target 2025: 3000</p> <p>2.1.2 Change in yearly net income (<b>IED TRI 1</b>) (for male and female SHFs and MSMEs) Source: Surveys and project reports (Inovagro+, Futuro MCB, new PSD project in design) Baseline 2021: USD 267 Target 2025: 30% increase of net income (USD 347)</p> <p>2.1.3 Numbers of SHF using adapted and improved production inputs (e.g. seed, planting materials and irrigation) through Swiss supported initiatives. Source: Surveys and project reports (Inovagro+) Baseline 2020: 46'000 Target 2025: 100'000</p> <p>2.1.4 Proportion of targeted stakeholders applying climate smart agricultural practices and micro-insurance products to re-pond to climate change Source: Surveys and project reports (Inovagro+, Futuro MCB, new CC initiative in design) Baseline 2022: 0 Target 2025: tbd</p> <p>2.1.5 Number of market systems transitioning from emerging to functioning due to Swiss support Source: Inovagro+ Baseline 2022: tbd Target 2025: tbd</p>	<p>The Swiss programme contributes to more gainful income-generating opportunities for youth, especially poor young women, which enables them to supplement and stabilize income flows, leading to improved and sustainable livelihoods, hence contributing to poverty reduction</p> <p><b>Assumptions:</b> The Government of Mozambique will continue to stimulate private sector partnerships to improve basic service coverage areas and reduce socioeconomic disparities. The recognition of private sector role in agriculture development and poverty reduction by the government Willingness of established private sector to take risks and expand/explore new, less dynamic markets with potential business opportunities Current infrastructure (power, water, roads, markets, etc.) conditions are maintained to enable the private sector to operate and grow Political decentralization and local governance will empower communities and local organizations to co-create models of local development Economic stability is maintained and government is willing to enhance the competitiveness of the country's conditions for doing business (reduced administrative barriers and conducive policies for MSMEs development)</p> <p><b>Risks:</b> Prolonged COVID-19 effects on the economy, particularly the most vulnerable Deterioration of security situation in the North affecting the provinces/districts where projects are being implemented Weather events become more frequent and with harsher impacts, specifically in the agriculture sector Government investment in the agriculture and other productive sectors reduces</p>	<p><b>Outcome statement 1:</b> <b>Enhance economic growth, productivity and employment creation</b> (Sources: PQG)</p> <p><b>Indicators:</b></p> <p>2.1.1 Number of employment created Source: PQG (96) Baseline 2019: 478'904 Target 2024: 2'952'907</p> <p>2.1.2 Increased household farmer incomes Source: Procava Project Baseline 2021: tbd Target 2024: 52.3% increase of net income</p> <p>2.1.3 Percentage of SHF that adopt at least one disseminated technology Source: PQG (68) Baseline 2019: 15% (730'111) Target 2024: 25% (1'200'000)</p> <p>2.1.4 Country indicator not available</p>

<p><b>Outcome 2.2</b> <b>Female and male smallholder farmers and MSME's have improved access to financial services, relevant skills and operate in an enabling business environment.</b></p> <p><b>Indicators:</b> 2.2.1 Number of women, men and MSMEs having access to and making use of formal and informal financial products and services (including insurance products), including those that facilitate recovery from shocks<sup>1</sup></p> <p>Source: Surveys and project reports (Futuro MCB, Inovagro+, new PSD and FSD projects in design) Baseline 2020: 40'000 Target 2025: 80'000</p> <p>2.2.2 Number of persons enrolled in new or better vocational skills development (IED ARI 1) Source: Surveys and project reports (SYEE, MNK Internship Project) Baseline 2022: 0 Target 2025: 3000</p> <p>2.2.3 Number of improved policies, guidelines, regulations, strategies and analysis contributing to a more conducive business environment for SHFs and MSME's. Source: Project reports (EP4IG, Inovagro+, SYEE, FSD project in design, Investment Climate SECO/IFC) Baseline: to be identified based on project constraints analysis on these levels Target: 4</p>	<p>The Swiss programme contributes to more services that support female and male farmers, as well as MSMEs, to pursue income generating opportunities, hence contributing to increased productivity/ employability, and increasing their income.</p> <p><b>Assumptions:</b> → The Mozambican Central Bank improves the regulatory framework related to financial inclusion. → Government and development partners make a serious effort to promote gender equality and social inclusion in the economic sphere. → The targeted beneficiaries, especially youth and women (including SHFs and MSMEs) are interested to uptake the products and services provided through Swiss engagement. → Sufficient interest from youth in engaging in non-formal learning opportunities. → The private sector is interested in delivering services for youth employability (practical training/internship, matching services, coaching). → The training regulator recognizes the importance of non-formal learning for youth excluded from the formal offer, engages in discussion of effective training alternatives and needed framework changes. → Government remains committed to improving framework conditions conducive for doing business and to promote formal/ informal vocational education.</p> <p><b>Risks:</b> → The private sector does not see the business interest in providing products and services to the intended beneficiaries → Education system further deteriorates adding to the basic education skills gap of youth → Young women continue to be excluded from economic opportunities due to social norms → Prolonged COVID-19 effects on the economy, particularly the most vulnerable → Deterioration of security situation in the North, affects the provinces/districts where projects are being implemented → Delays in pace of reforms and implementation of projects due to the political cycle (national, provincial, districts and municipalities elections)</p>	<p><b>Outcome 2.2</b> <b>Enhance economic growth, productivity and employment creation</b> (Sources: PQG)</p> <p><b>Indicators:</b> 2.2.1 Proportion of adults with physical or electronic access to financial services provided by a formal financial service institution Source: National Financial Inclusion Strategy Baseline 2015: 22.6% Target 2022: 45%</p> <p>2.2.2 Number of students enrolled in Technical and Vocational Training courses Source: Technical and Professional Training Strategic Plan Baseline 2017: 85'313 Target 2024: 115'756</p> <p>2.2.3 Country indicator not available</p> <p><b>Enhance economic growth, productivity and employment creation</b> (Sources: PQG)</p> <p><b>Indicators:</b> 2.2.1 Proportion of adults with physical or electronic access to financial services provided by a formal financial service institution Source: National Financial Inclusion Strategy Baseline 2015: 22.6% Target 2022: 45%</p> <p>2.2.2 Number of students enrolled in Technical and Vocational Training courses Source: Technical and Professional Training Strategic Plan Baseline 2017: 85'313 Target 2024: 115'756</p> <p>2.2.3 Country indicator not available</p>
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<sup>1</sup> This indicator is related to IED ARI 3 "Number of people having access to and making use of formal financial products and services" and IED TRI 4 "Number of women and men who thanks to insurance consider that they are more easily recover from shocks and adverse events". However, specifically for SHF, women, and micro entrepreneurs, informal financial services such as access to group based loans and saving services remain a legitimate, well established, and important financial service delivery mechanism, with a potential to be linked up to the formal system.

#### (4) Lines of intervention

**Outcome 2.1:** Resilient female and male smallholder farmers and MSME's have increased access to market opportunities and generate additional income and employment.

- MSD support to private sector enabling them to provide affordable and good quality production inputs (e.g. seeds, productivity-enhancing equipment, irrigation systems and output market linkages to female and male smallholder farmers (SHF).
- Support small and medium scale agro-processing initiatives along agricultural value chain (piloting and scaling-up).
- Capacity building of MSMEs (especially women and youth led) through training on financial literacy, business and entrepreneurship skills, and linkages with supporting services in order to increase their competitiveness, generate employment and act as multipliers.
- Support SHF and MSMEs to implement best practices in disaster risk management and management of agriculture systems (climate smart technologies and practices) through fully integrated climate risk management initiative (R4 - Risk reduction, Risk transfer, Risk reserves and prudent risk) in order to improve resilience to climate variability.
- Support governments of Cabo Delgado, Niassa and Nampula province in the formulation of local economic development strategies and coordination among the 3 provinces.

**Outcome 2.2:** Female and male smallholder farmers and MSMEs have improved access to financial services, relevant skills and operate in an enabling business environment.

- Capacity building of Village Saving and Lending Associations to strengthen informal saving mechanisms to invest in productive inputs and to better respond to shocks. Further explore potential to link informal lending/saving mechanisms to formal financial institutions.
- Institutional capacity building of Futuro MCB and other possible formal financial service providers (e.g. product development, portfolio risk management) to increase access of excluded female and male SHF and MSMEs to formal financial products and services.
- Continue collaboration with private sector (e.g. Hollard Insurances) and other organisations (e.g. WFP) to pilot and rollout relevant and affordable micro-insurance products for SHFs and MSMEs as a viable risk transfer mechanism to enhance resilience to external shocks.
- Capacity building of public and private sector actors to improve access and quality of skills development opportunities (including numeracy/ literacy basic education, technical, soft and life skills) for youth and vulnerable groups (e.g. IDPs).
- Technical assistance to government to improve business environment (policies, regulations etc.) with a stronger focus on sectorial and sub-national levels.
- Policy dialogue and provision of technical assistance to relevant public and private stakeholders to strengthen policy analysis/development, research and multi-stakeholder dialogue towards more inclusive growth strategies with conducive sectoral framework conditions (e.g. doing business for MSMEs, agricultural development policies such as seed certification), regulatory requirements for financial inclusion (e.g. bank account registration, agent banking) and skills development.

**Gender:** Better livelihoods for young women through: i) equitable access to training, employment, finance and productive resources for young women and men, ii) training of partners (private sector) on gender issues, iii) support women-led MSMEs and sectors that are gender friendly, iv) engage men in promotion of gender equality (e.g. through trainings, social media campaigns, community support groups), v) support participatory approaches at community level to increase women's self-confidence and voice in community decision-making processes.

**Governance:** Promote direct engagement with government through national poverty reduction strategies, budget support mechanisms, at sectoral and district level with government ministries and local authorities, and through individual programmes and projects. Participation in policy dialogue to foster the development of reforms to improve business environment (e.g. in areas such as access to finance, to good quality certified seeds, etc.).

**Climate Change:** i) awareness raising on climate risk management strategies; ii) strengthened resilience/adaptation planning and decision-making across female and male smallholders farmers through the generation and use of climate information; iii) promote and scale up insurance within a climate risk management initiative, iv) conservation agriculture, v) DRR

#### (5) Partnerships and modalities

**Financial Resources/Budget:** CHF 36 Mio

**Partnerships:** Ministry of Economy and Finance, Ministry of Labour, Ministry of Agriculture and Rural Development, Ministry of Industry and Commerce, Ministry of Land and Environment, Bank of Mozambique, Integrated Development Agency of the North (ADIN), State Secretariat for Professional and Technical Education, State Secretariat for Youth and Employment (SEJE), Association for the promotion of the seed sector (APROSE), MSD network, Private Sector companies, WFP, bilateral and multilateral agencies/donors and projects, international and local NGOs.

**Modalities:** Mandates for project implementation; contribution to existing projects; private sector engagement (PSE).



**Transversal Outcome** (contributing to Outcome 1 and 2)**Empowered citizens and local private sector advocate for and monitor demand-oriented service provision, human rights, and locally driven socio-economic development****Indicators:**

3.1 Number of people participating in and influencing public service provision, decision-making and budgets in their localities (**GOV ARI 1**)

Source: Project surveys and reports (Social cohesion programme reports, GoTAS, CD Health, UNCDF, GIZ)

Baseline 2022: tbd

Target 2025: tbd

3.2 Number of civil society organisations that contribute to multi-stakeholder dialogue or to the respect for human rights (FCHR ARI 1)

Source: Governance team reports

Baseline 2022: tbd

Target 2025: tbd

3.3 Number of Swiss supported private sector and civil society led initiatives (specifically youth and women) that successfully engaged in and influenced local socio-economic development strategies/plans.

Source: Project surveys and reports

Baseline: 0

Target: 2-4

The Swiss programme contributes to an environment in which citizens, in particular youth and women, have more opportunities to express themselves freely and in which they can participate in governance processes at local and national levels, thereby influencing policies that integrate their needs and protect, promote human rights.

**Assumptions:**

→ Increased openness from decentralized governments to include citizens in planning and monitoring processes. Spaces for dialog between citizens and local governments exist and are safe. Further improvement of existing participatory spaces and openness for dialogue and debate at all levels (consultative councils, development observatories, public audition etc.)

→ Willingness of communities and local organizations to participate and contribute to local development.

→ International/national NGOs are open to support local NGOs to strengthen their institutional capacity

→ Citizens are sufficiently educated and informed about services (hygiene practices, water quality, etc.).

→ Evidence-based government policy making is possible and political economy allows its implementation.

**Risks:**

→ Freedom of expression and civic space reduced, especially in the North.

→ Participation at local level reduced in the provinces with armed confrontations and increased political tensions.

→ Deterioration of the respect of human rights principles, especially in the North due to the conflict.

→ Safety of CSO and activists not guaranteed

**Outcome statement:**

Ensure responsive, inclusive, participatory and representative decision-making at all levels (SDG 16.7)

**Indicators:**

Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group (SDG 16.7.2)

Source: Social Barometer (IESE)

Baseline 2022: tbd

Target: tbd

The degree of public satisfaction increased with the quality of services provided by the Public Administration

Source: PQG Nr. 216

Baseline 2019: 2.9

Target 2024: 4

Score on participation, rights and inclusion

Source : Mo-Ibrahim Foundation

Baseline 2019: 52.1

Target: +

Mozambicans prefer democracy to other forms of government

Source: Afro Barometer

Baseline 2021: 63%

Target: ++

Score Freedom in the World : Civil liberties and political rights

Source: Freedom House

Baseline 21: 43/100

Target: ++

**(4) Lines of intervention**

- CSOs, citizens (especially youth and women) are supported and empowered to better advocate for citizens' needs in local processes (in particular for better access and quality of public service delivery, respect for their rights in local development process (Programmes: Gotas, Cabo Delgado Health Promotion, Decentralisation and inclusive development, social cohesion, anti-corruption and social accountability)
- CSOs are supported at local and national level to enhance their ability/capacity for advocacy and policy influence on relevant sectors (Human Rights, budget management, corruption...)
- Support/train provincial assembly and local consultative councils to ensure that communities have a voice, can express their needs and rights, and demand accountability from local governments and health and WASH services providers (GOV ARI 1 and SDG 16.7)
- Multi-stakeholder dialogue and joint action spaces for local governments, youth and women (such as Saving Groups and Village Development Groups) are further developed
- Budget tracking and awareness is raised and discussed at local level around corruption and illicit activities
- Support to establishment of Business and Human Rights Platform
- Support to culture and sports

**(5) Partnerships and Modalities**

**Partnerships with:** Ministry for Administration and State , Ministry for Economy and Finance, Ministry for Water, Ministry for Health, Ministry of Land and Environment, local governments in provinces, districts and municipalities, local CSOs, private sector (health and water sector), INGOs (Helvetas, Untied Purpose), DCAF, Multilateral Agencies, cultural institutions

Contributions to existing programmes (UNCDF, GIZ, UNODC, UNDP)

**Modalities:** Core contributions to local NGOs, core contribution to existing programmes, project contributions

#### **(6) Management/performance results, including indicators (Swiss Programme)**

- Enhanced role of Embassy in development policy dialogue, including with regard to sensitive aspects such as decentralization, civic space, human rights. Indicator: number of policy dialogue areas in which concrete results could be achieved/documentated due to Embassy support.
- Aid modalities: adequate implementing partner mix (indicator: ratio of multilateral, government, private sector, local and international NGO/CSOs implementing partners); reasonable size of project portfolio (indicator: number of Swiss supported projects in relation to overall CoopProg budget and available human resources) ; enhanced ratio of programme contributions vs. mandates incl. multi-partner interventions to increase coordination, leverage and support sector reforms. Indicators: % of contributions vs. % of mandates; number of collaborations with other donors.
- Enhanced nexus programming (triple development, humanitarian aid, peace promotion nexus) in Swiss Cooperation Programme Portfolio. Indicator: number of projects/initiatives that include elements of an integrated nexus programming approach.
- Quality assurance:
  - › An efficient outcome based project and CoopProg result framework monitoring and evaluation management system is established and operational. The capacities of the Embassy staff and implementing partners with regard to Result Based Monitoring (RBM) are strengthened in defining outcomes, outputs, theories of change and indicators, as well as in applying RBM in the monitoring of the CoopProg and of partner projects/programmes. Indicators: forward-looking RBM matrix for timely planning, steering, and reporting is established and is sustained by an Embassy based RBM quality assurance team; further education on RBM conducted for Embassy and partner staff improved quality of annual report/CoopProg results reporting
  - › Effective and efficient PCM processes are established in the Swiss programme portfolio management and PCM capacities of Embassy staff is further strengthened. Indicators: number of PCM related further education for Embassy staff etc.; quality of EP's, CP's, tenders etc. and timely submission; Embassy PCM quality assurance team established and functional.
- Enhanced learning and innovation to scale up project results and to promote systemic changes in overall programme implementation. Indicators: number of learning initiatives including with other donors, local development stakeholders, SDC entities etc. that the Embassy initiated or participated in, number of instances in which lessons learned resulted in relevant steering decisions.
- Enhanced visibility and recognition of Swiss Development Cooperation work in Mozambique. Indicator: Communication strategy elaborated and implemented; number of events/meetings etc. in which Swiss Development Cooperation in Mozambique is show-cased (e.g. in donor/ government dialogue/exchange; visits of Swiss development stakeholders etc.).

# Annex 5: Financial Planning

The table shows only project fund expenses; operating expenses are not included

Domain/Financial Year:	2022	2023	2024	2025	Total 2022-2025	in %
<b>CH-Portfolio Outcome 1:</b> Improved access to gender-responsive quality basic services, incl. in emergencies	14 600 000	13 000 000	16 800 000	17 000 000	61 400 000	54%
<b>CH-Portfolio Outcome 2:</b> Enhances sustainable employment and income for young men and women and the economically disadvantaged	3 500 000	8 300 000	11 200 000	13 000 000	36 000 000	32%
<b>Other interventions:</b> Transversal themes, Civil society empowerment, Culture programmes, Small actions, NEXUS, Humanitarian Aid	6 900 000	6 200 000	1 500 000	1 500 000	16 100 000	14%
<b>Total indicative SDC Budget Allocation (to Cooperation Office)</b>	<b>25 000 000</b>	<b>27 500 000</b>	<b>29 500 000</b>	<b>31 500 000</b>	<b>113 500 000</b>	<b>100%</b>
<b>General Overview of the projected funds by Swiss Federal Offices</b>						
Financial year:	2022	2023	2024	2025	Total 2022-2025	
Federal Department of Foreign Affairs - SDC - South Cooperation	24 000 000	26 500 000	28 500 000	30 500 000	109 500 000	
Federal Department of Foreign Affairs - SDC - Humanitarian Aid	1 000 000	1 000 000	1 000 000	1 000 000	4 000 000	
Federal Department of Economic Affairs – SECO*	-	-	-	-	-	
<b>Total funds by Swiss Federal Offices</b>	<b>25 000 000</b>	<b>27 500 000</b>	<b>29 500 000</b>	<b>31 500 000</b>	<b>113 500 000</b>	

\*Given that SECO operates in Mozambique within its framework of complementary measures, there is no country budget and, hence, it is not possible to make a projection on the financial resource planning for the years 2022-2025. SECO has already committed funds for a PFM capacity development programme with the Ministry of Economy and Finance and implemented by IMF. Further, it provides support through dedicated country activities channelled through its global and regional programmes.

# Annex 6: Scenarios and Programme Adaptation

<b>Uncertainty 1 – Climate change / natural disasters</b> Areas of observation: Climate and food security forecasts; early warning systems; coping patterns of populations; development indicators		
<b>Worst-case scenario</b> <b>Significant deterioration</b>	<b>Most-likely scenario</b> <b>Continuity with limited improvement</b>	<b>Best-case scenario</b> <b>Significant improvement</b>
<p>The impact of droughts, floods and cyclones is monitored and publicly communicated through the existing early warning system. Government capacity and resources for interventions after occurrence of calamities is reduced through inadequate planning and budgeting, unclear criteria for geographical prioritization of intervention areas. No accountability for disaster response efforts and support. The underlying causes of calamities and their consequences are not adequately analysed and addressed by projects. Sporadic ad hoc interventions are typical.</p>	<p>The impact of droughts, floods and cyclones is monitored and publicly communicated through the existing early warning systems. The government's meteorological and hydric early-warning systems are reasonably effective and further improve, but the intervention capacity of the National Institute for Disaster Management (INGD) in post-natural disaster operations is generally weak and aid-dependent. Insufficient resources are invested in the prevention of deforestation, coastal protection and resettlement of the population to safer areas, also because of inadequate policy guidelines and budgets. A continued focus on fossil energy resources and hydro are accompanied with gradual investments in solar energy generation. Regional water basins management improves gradually and is slowly integrated within the southern Africa management initiatives.</p>	<p>The impact of droughts, floods and cyclones is monitored and results in increased disaster preparedness by government. Policies for mitigating the effects of natural calamities are formulated based on lessons learned from previous experiences. The focus is on lowering the risks by addressing issues such as deforestation, safer areas for housing and livelihoods, curbing coastal erosion through well managed and resourced projects. INGD's response capacity improves, also at decentralized level. Globally, Mozambique is set to become an ally of those actors who seek to reduce the use of fossil-based energy in favour of solar and aeolic sources. Nationally, this is reflected in policies seeking to reduce dependence on oil, gas and coal as primary energy sources and to promote environmental and ocean protection programmes.</p>
<p>External humanitarian and emergency aid is politically instrumentalized, and pilfering of food and aid supplies for non-emergency interventions is common. Natural calamities are used as opportunities to gain illicit access to rents in the storage, transport delivery and distribution chains for humanitarian supplies and food aid. Food security and access to basic services and temporary shelter deteriorate dramatically, with people waiting for long periods to return to their places of origin or to relocate to safer areas.</p>	<p>Especially urban dwellers and poor people living in coastal areas, and their livelihoods and housing, are affected by natural calamities. Food insecurity and lack of access to public services (WASH, health, collective shelter etc.) remain widespread. However, some action by government and emergency and humanitarian assistance mitigates worst impact. Insufficient management of international support for mitigating the effects of calamities is observed, and efforts for improvement undertaken.</p>	<p>Disastrous effects on the population are minimized through well-functioning, well-coordinated and timely early warning, highly improved response mechanisms and effective, well-coordinated and transparent collaboration with aid and humanitarian agencies. Timely emergency delivery of food and social services become more and more frequent.</p>



<b>Uncertainty 2 - Economic recovery, poverty reduction</b> Areas of observation: macroeconomic trends, debt, income distribution, natural resource exploration, poverty indices, FDI		
<b>Worst-case scenario</b> <b>Significant deterioration</b>	<b>Most-likely scenario</b> <b>Continuity with limited improvement</b>	<b>Best-case scenario</b> <b>Significant improvement</b>
<p>Continued elite capture of the state especially in the extractive sector, together with a lack of rigorous government commitment to PFM reforms, integrity and transparency, promotes corruption and further social exclusion and worsens income distribution.</p> <p>Priority given to spending on security and fixation on natural resource extraction hamper dynamic agricultural development, job creation and social sector investment.</p> <p>Continued debt unsustainability and reduced fiscal space for public expenditure on social and economic sectors.</p> <p>Debt distress situation limits access to international financial markets and domestic savings for productive investments.</p> <p>Continued perception of high-risk business environment, for both FDI and SMEs. The gas exploration project in Cabo Delgado does not resume.</p> <p>Economic growth remains stagnant or turns negative.</p> <p>Money laundering, increased capital flight, high interest rates and inflation reinforce downwards economic trends and negatively affect economic and social stability.</p>	<p>Ongoing grand and petty corruption contribute to loss of mass purchasing power and an unfavourable business environment.</p> <p>Global and local demand for energy, minerals and services sectors pick up after the negative effects of the pandemic.</p> <p>Although gas exploration in Cabo Delgado resumes, increasing indebtedness of SOEs, debt servicing, setbacks in revenue collection, and excessive security spending lead to unfavourable GDP/debt ratio and are not addressed via strategic policy changes.</p> <p>International credit rating and levels of ODA and FDI remain low. A Sovereign Wealth Fund (SWF) is created but lacks clear rules and oversight.</p> <p>Minimal economic stability, increase in agricultural production and relatively low inflation rates.</p> <p>Continued signs of fiscal stress and problematic budget governance and corruption lead to sub-optimal spending for public services.</p> <p>The challenges are partly addressed through improved transparency in public investment and management of fiscal risks.</p>	<p>Clear fiscal rules on the use of natural resources wealth and a SWF established in a transparent manner, provide initial financial flows benefitting private and public investment and employment creation.</p> <p>The stalled Cabo Delgado gas project is resumed and begins to generate revenues to the state.</p> <p>Conditions for doing business address bottlenecks for SMEs and agro-business sectors.</p> <p>Together with an economic diversification policy, access to credit for SMEs, and an emphasis on technical and vocational training for youth and young farmers generates new private sector dynamics and increased non-resource-based revenue.</p> <p>Stricter scrutiny of public spending, using lessons learnt from the emergency response to the pandemic, and stronger drivers for economic governance reform.</p> <p>Economic growth and confidence of national and international investors resulting from improved market conditions, anti-corruption measures and improved strategic macroeconomic governance result in increasing tax revenue, FDI, ODA productive investment and sustainable public debt.</p>
<p>Increasing inequality, worsening socio-economic conditions, increasing poverty, soaring unemployment and chronic food shortages are reinforced (also due to COVID-19). The living conditions for the vast majority deteriorate.</p> <p>ADIN-supported projects not only produce little socio-economic impact but serve as rent-seeking opportunity for the elites.</p>	<p>Modest economic growth does not translate into improved living conditions for the majority. The socio-economic divide is maintained and domestic economic stimulus remains limited.</p> <p>Improvement of socio-economic conditions thanks to agricultural growth and other forms of income-generating projects remains limited for the country's young majority. Progress is constrained by continued budget stress and limited private sector dynamics, state fragility and the impact of the COVID-19 pandemic.</p> <p>High levels of inequality, unemployment and regional disparities are only marginally addressed - e.g., via ADIN whose off-budget spending affects good financial governance.</p> <p>The quality and coverage of services (health, WASH etc.) only improve marginally.</p>	<p>Together with rigorous anti-corruption measures and sound budget management, an emphasis on gender and youth translates into social inclusiveness, qualitatively and quantitatively improved public services in urban and rural areas, and a gradual improvement of living conditions, employment and income for the majority of the population.</p> <p>Unequal distribution of income and disparities are systematically addressed.</p> <p>Domestic food production and consumption increases.</p> <p>With decreasing poverty indicators, the HDI rank improves.</p>

<b>Uncertainty 3 - Political stability / state-building processes</b> Areas of observation: Elections, political processes, decentralization, human rights situation, media		
<b>Worst-case scenario</b> <b>Significant deterioration</b>	<b>Most-likely scenario</b> <b>Continuity with limited improvement</b>	<b>Best-case scenario</b> <b>Significant improvement</b>
<p>The autocratic one-party system shows symptoms of an authoritarian state, but also fractures due to increasing intra- and inter-party frictions and power struggles. Threats to and targeted killings of political opponents occur.</p> <p>The continuous exclusion of the interests of youth in policy making adds to fragmentation. The separation of power is further reduced. Elections in 2024 trigger further violence throughout the country.</p>	<p>FRELIMO's leadership remains in power despite internal cleavages. Prevailing intra-party conflicts around the hidden debts and the war in Cabo Delgado are settled among the elites. The local level gains more political importance with the elections in 2024. However, municipal elections are, if necessary, manipulated to guarantee overall wins of the ruling party. In the absence of a well-organized and strong opposition, power relations remain unequal. The momentum for institutional reforms remains slow due to limited capacities, incomplete separation of powers (biased in favour of the President) and poor enforcement of the rule of law.</p> <p>Vulnerable political stability is maintained.</p>	<p>The presidential succession question is peacefully settled. RENAMO remains a secondary force, but consolidates its politics and coherence either through splits and/or internal democratization.</p> <p>FRELIMO increases space for internal debate and consensus seeking, acknowledging the existence of different opinions and interests. The party demonstrates resilience and is able to successfully settle internal conflicts among competing elites.</p> <p>FRELIMO confirms its commitment to checks and balances, both internally and nationally - i.e., for democratic decision making and ruling and for a major policy change in favour of the youth.</p> <p>Parliamentary control over the executive increases.</p> <p>Profound changes to the electoral legislation, an intergovernmental fiscal transfer system and a constitutional reform towards a semi-presidential constitution are launched.</p>
<p>Regional and political divisions are exacerbated by the new decentralization paradigm and the non-introduction of an inter-governmental fiscal transfer system.</p> <p>Complete rollback of decentralization and return to full central control of most functions of government.</p> <p>The rights to freedom of expression, peaceful assembly and association are reduced and the internet and social media are controlled. Journalists are at risk of threats, detention and killing. State censorship is reintroduced. External support for CSOs and INGOs is cut.</p>	<p>Contradictions within the decentralization paradigm associated with the 2018 partial constitutional reform and peace negotiations are addressed through piecemeal adjustments to the legal framework, based on a minimal FRELIMO consensus, at the cost of provincial governments and the efficiency of public administration and decentralized service delivery.</p> <p>Debates around fiscal decentralization, especially in the context of natural resources exploitation, remain high on the agenda of all stakeholders (national and local governments, donors, multilateral organizations).</p> <p>Cases of human rights violations by state security and the justice system are reported, together with increased pressure on CSOs and media, including threats to leading figures and new legislation to curb press freedom. CSOs and the media, although increasingly professional, continue to face difficulties in countering the reduced civic space.</p> <p>Improvements in transparency and domestic accountability for the equitable use of public resources progress slowly, but the societal costs of corruption remain significant.</p>	<p>Multi-stakeholder debates on key issues for peace, reconciliation and inclusive development lead to constitutional reform, a change towards a more effective democratic decentralization process, which stops the fractioning of government and service delivery at sub-national levels giving more autonomy to sub-national governments.</p> <p>Independent CSOs and media are able to publicly express their opinions and debate key questions for the development of the country without fear. The liberal media legislation is upheld, and the media is recognized as an independent pillar of democracy.</p> <p>The number of reported human rights abuses decreases.</p> <p>The institutional capacity to address and curb corruption increases.</p>

<b>Uncertainty 4: Conflict dynamic, security</b> Areas of observation: armed violence, insurgency, IDPs, crime statistics, regional and international actors		
<b>Worst-case scenario</b> <b>Significant deterioration</b>	<b>Most-likely scenario</b> <b>Continuity with limited improvement</b>	<b>Best-case scenario</b> <b>Significant improvement</b>
<p>The MAP is progressively questioned, and the peace process loses traction. RENAMO splinter groups and other armed groups, not only in central Mozambique, resort to violent armed action, especially after perceiving the 2024 elections as fraudulent. The government tries to quell regional foci of armed action and unrest with repressive means. The state turns into a police state, which leads to resistance and a general deterioration of the security situation countrywide, which is not addressed by political means. Regarding Cabo Delgado, all government attempts to 'win the war' through militarization fail. More infrastructure and property are destroyed, resulting in a further increase of IDPs. Spill-over effects into other resource rich areas and provinces cannot be excluded. It becomes an area outside of the control of central government. The territory and its resources are divided up and controlled by different armed stakeholders (army, militias, insurgent groups etc.), who establish a political economy of looting, illicit business and trafficking. In case investors decide to resume investment in liquefied natural gas production in Palma, then under a special enclave regime secured by foreign private and public troops, to the detriment of national interests.</p>	<p>The MAP remains contested, but the MAP approach is sufficiently robust and holds. Implementation continues. Initial progress in implementing the DDR agreement slows down due to funding constraints and party politics, yet the DDR continues. The violent events in Cabo Delgado demand increased attention and resources, and the risk of spill-over into other northern provinces and neighbouring countries, in particular Tanzania, should not be underestimated. The government continues to opt for a military solution to the conflict by engaging external support to the army, among others from Ruanda, France, EU (Portugal), the US and SADC, however without a clear roadmap.</p>	<p>The MAP shows robustness. RENAMO's military forces are fully dissolved and integrated into police, army and civil life, turning RENAMO into a civilian political opposition. Together with additional reconciliation, re-integration and transitional justice programmes, peace turns into something more substantial than the mere 'absence of armed action'. Increased political legitimacy creates conducive conditions to address causes of and remedies to exclusion. Especially women and youth are considered as recipients of a 'peace dividend' through specific support programmes. The domestic and international causes of the conflict in Cabo Delgado become more obvious and are addressed, including through mediation. Negotiations between domestic stakeholders, sporadic armed action notwithstanding. Fragile revenue sharing agreements from resource extraction are reached and lead to a reduction of armed activity and a demilitarization. Part of the IDPs gradually return to their places of origin with guaranteed land rights. Resource exploration resumes in a more equitable way. The livelihood needs of the local populations are satisfied through negotiations and agreed sharing of benefits from resource extraction.</p>
<p>Humanitarian access to main conflict zones or areas hit by natural disasters is difficult. Increase in crime and insecurity in urban spaces together with criminal kidnapping networks and trafficking of humans, drugs, ivory, rhino horn etc., are linked to politics and consolidate the perception of Mozambique as a violent narco-state with intra-elite military contestation for gains.</p>	<p>Continued control and use of repressive mechanisms by the state to deal with conflicts in central and northern Mozambique, and with social unrest in other parts of the country, negatively impacts human security. Reported abuse of power and human rights violations are not investigated. Access to information regarding the situation in Cabo Delgado remains constrained. Poverty-related crime, abuse of power in the police, security forces and prisons, and the existence of illicit networks for drug trafficking and kidnapping continue. The bleak perspectives for a decent life and income motivates an increasing number of young people to sympathize with, or even join the insurgents.</p>	<p>The government grants full humanitarian access to all conflict areas and collaborates proactively with main human rights NGOs, United Nations agencies and donors based on a humanitarian response plan. Alleged war crimes and human rights abuses are investigated. A gradual decrease of crime due to improved rule of law and reduced inequalities is observed.</p>

<b>Uncertainty 5 – Engagement of the international community</b> Areas of observation: Aid flows; donor engagement strategies; donor/government coordination platforms		
<b>Worst-case scenario</b> <b>Significant deterioration</b>	<b>Most-likely scenario</b> <b>Continuity with limited improvement</b>	<b>Best-case scenario</b> <b>Significant improvement</b>
<p>Mozambique is rated as an unreliable and high-risk partner. Traditional donors lose patience with the government's unwillingness to address social, economic and debt-service related challenges.</p> <p>Conditioned aid and commercial business interests dominate bilateral relations. Commercial and strategic interests of political, economic and military elites in donor countries dominate the cooperation agenda. Under these competitive conditions, effective donor coordination becomes obsolete.</p> <p>Some major partners revert to cherry picking of projects in mutually-beneficial areas of cooperation involving the private sector in donor countries and local elites.</p> <p>Donors significantly reduce their aid budget due to domestic political changes and COVID-19 induced budget cuts.</p> <p>Donors give in to government pressure to stop financing INGOs and NGOs, especially in the field of human rights and governance watchdogs.</p>	<p>The risk awareness of major donors increases, and aid is partially conditioned to the formulation and implementation of government plans to address fragility, security, social exclusion and youth-related issues.</p> <p>A deal with the IMF for a country programme is assured for restoring economic confidence more broadly, but is dependent on the outcome of the hidden debt trial and implications of the debt sustainability analysis.</p> <p>Some donor countries consider military support for the government and the army (China, EU/ Portugal, France, Russia, UK, USA) from a national, regional and global competitive geostrategic perspective.</p>	<p>Short to medium-term thinking prevails over long-term and strategic cooperation perspectives, probably with the exception of geostrategic and military cooperation.</p> <p>The elaboration of a strategic overall development and cooperation framework and improved macroeconomic and PFM governance.</p> <p>Aid increases due to improved framework conditions, including reduction of debt exposure, improvement of investment and growth rates, as well as social and political fragility, notably in conflict-prone areas.</p> <p>'Competitive bilateralism' in cooperation prevails in parallel with major anchor projects financed by multilateral actors.</p> <p>Overall improved conditions also trigger an inflow of FDI for strategic sector development, with credit guarantees given by donor governments to their companies investing in Mozambique.</p>
<p>Aid fatigue is noticeable, also as regards support for development and humanitarian action by United Nations organizations.</p> <p>Aid delivery modality preference is for projects and, partially, for sector budget support or via multilateral agencies.</p> <p>Governance-related aid-financed projects have less weight in aid portfolios and/or are implemented by NGOs.</p>	<p>The lack of consistent donor coordination, associated with the absence of a coherent overall and programmatic development and cooperation framework, results in continued prevalence of bilateralism with a certain competition among donors for privileged partnerships, and the lack of a coherent and coordinated government dialogue and response capacity.</p> <p>China, the US and the World Bank show a preference for multi-million stand-alone projects. Coordination with other donors is limited or completely absent (China).</p>	<p>While external project cooperation modality and public infrastructure investment continue, sector cooperation receives a bout of fresh air and additional funding, also extended to projects addressing youth and women's needs in education and training, agricultural production and start-ups.</p> <p>New market-oriented mixed financing modalities (aid, private sector finance and bank credits) for infrastructure development in urban areas are tested and increasingly applied.</p> <p>Donor coordination improves under the umbrella of a well-defined common programme with clear division of labour, proactive government and private sector owner- and leadership and effective and transparent management. Support for INGOs and NGOs continues and possibly increases.</p>



Programme Adaptations	
Best-case scenario An increasingly democratic country with an economic lift-off	Worst-case scenario A one party-state with an underperforming economy
Service delivery (Swiss Portfolio Outcome 1)	
<ul style="list-style-type: none"> <li>→ Increase the amount of funds channelled to government institutions at municipal, district and provincial levels, and improve its management and allocation between ministries</li> <li>→ Increase contribution to the implementation of the decentralization reforms</li> <li>→ Strengthen the capacity building of newly elected bodies in terms of governance principles</li> <li>→ Work with INGD or other government entities in response to natural disasters and population displacements</li> <li>→ Enhance promotion of public-private partnerships</li> <li>→ Increase accountability and support for dialogue platforms between citizens (in particular youth and women) and government</li> <li>→ Make the results of the social cohesion programmes available to a large number of stakeholders to promote duplication in other regions</li> <li>→ Further increase support to the fight against corruption and make it more visible</li> <li>→ Promote public debates on what leads to success</li> <li>→ Increase support for more advanced reforms to improve PFM systems, with a higher quality integration between the central and local government levels and addressing critical issues of fiscal risk management and efficiency of public spending; increased support for consolidation of economic governance institutions for managing natural resources wealth.</li> </ul>	<ul style="list-style-type: none"> <li>→ Further increase support for local level and direct support to municipal, district and provincial governments and implementing NGOs</li> <li>→ Move towards social protection programming</li> <li>→ Increase contribution to CSOs that advocate for democratic values, pluralism and budget monitoring</li> <li>→ Increase nexus approach to make programmes more resistant to natural disasters and conflict induced shocks</li> <li>→ Increase humanitarian aid</li> <li>→ Form a coalition with like-minded donors and IFIs to pressure government to address debt service, increase fiscal space and safeguard funds for service delivery</li> <li>→ Assess areas for increased support for civil society to advocate for better services, respect for human rights and enhanced participation</li> <li>→ Ensure that safe spaces for debate are maintained</li> <li>→ Selected support in the areas of fiscal risk, spending efficiency and mobilization of domestic resources, with champion institutions that can contribute to foster key improvements in economic governance</li> <li>→ Strengthen collaboration and partnerships with development partners with higher leverage on policy dialogue and influence change, in particular the multilaterals, like the IMF and WB</li> </ul>
Sustainable employment and income for young men and women (Swiss Portfolio Outcome 2)	
<ul style="list-style-type: none"> <li>→ Scale up interventions in agriculture, market development and access</li> <li>→ Test partnerships with governmental technical and vocational education and training institutions</li> <li>→ Provide core contributions to private and semi-private institutions</li> <li>→ Apply more innovative approaches that foster growth and increase private sector support to increase private local investments</li> <li>→ Upscale internship programmes in the private sector, and include private sector contributions to the programme</li> <li>→ Renew support to revenue collection (tax authority)</li> <li>→ Together with like-minded donors, enhance support to selected institutions capable of improving business framework conditions</li> <li>→ Support to improve policies for integrated market development addressing economic diversification and policies for effective reduction of poverty and inequality</li> </ul>	<ul style="list-style-type: none"> <li>→ Increase programme flexibility and adapt partnerships (e.g., if government ceases to implement according to agreement)</li> <li>→ Assess niches for support to private sector to stimulate (local) economy</li> <li>→ Identify the best-suited agents supporting change (within government and outside)</li> <li>→ Further strengthen non-government institutions demanding better policy making and reforms for improving the business environment for SMEs</li> <li>→ Assess need to a shift to regional or multilateral programmes</li> <li>→</li> </ul>
Civil space	
<ul style="list-style-type: none"> <li>→ Promote self-reliance of CSOs by supporting local fundraising strategies</li> <li>→ Support civil society advocating for sustainable democratic values and good governance principles. Invest even more in citizens-government dialogue.</li> <li>→ Support government/NGOs in the application of human rights law and budget monitoring</li> <li>→ Continue support to anti-corruption programmes</li> </ul>	<ul style="list-style-type: none"> <li>→ Carry out stringent CSPM and analyse risks for civil society partners; adapt programming accordingly</li> <li>→ Assess need for more targeted human rights promotion programmes and human rights defenders' protection</li> <li>→ Increase support for cultural activities and other programmes which offer spaces for dialogue</li> <li>→ Enhance social cohesion programming</li> <li>→ Support agents of change from all areas of government and society</li> <li>→ Increase support to CSOs defending/advocating for democratic values, good governance and pluralism</li> <li>→ Contribute to the development of CSOs in northern provinces</li> </ul>



## **Photographs:**

Cover page : Photo in his shop of one of the beneficiaries of the Futuro Microbank project. Project that promotes access to financial services for low-income people in the province of Nampula; © Helvetas

Page 7: Woman collecting firewood in the forest for cooking in Mocuba, Zambézia; © Ivan Barros

Page 8: Exhibition at Kulungwana art gallery located inside the rail station of Maputo; © Mariano Silva

Page 10: Photo Futuro Microbank project; © Helvetas

Page 11: Maputo/Katembe Bridge at night. This construction is Africa's longest suspension bridge; © Mariano Silva

Page 13 : Young girl cultivating rice on her farm in Nicosadala, Zambezia; © Ivan Barros

Page 14 : Village inhabited in Penhalonga (Manica) mostly by garimpeiros and their families. Soil and water contaminated due to illegal mining; © Ivan Barros

Page 18: Capulanas shop in Nampula. Beneficiaries of the Futuro Microbank project creating Covid masks out of capulana's tissue; © Helvetas

Page 20: Woman putting mangrove seeds in the soil in Katembe (southern of Maputo); © Mariano Silva for Xonguila Magazine

Page 41: Trainees of the HOJE Project of Helvetas Mozambique; © Helvetas / Ricardo Franco





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