

IV. ACTION PLAN FOR THE REDUCTION OF ABSOLUTE POVERTY AND THE PROMOTION OF ECONOMIC GROWTH.

A. INTRODUCTION

82. This chapter presents the Action Plan for the Reduction of Absolute Poverty and the Promotion of Economic Growth. The text is sub-divided into two main units. The first deals with fundamental areas for action. This includes issues and sectors that merit special attention in light of the critical role they play, the broad and deep impact they have for efforts to reduce poverty and promote equitable economic growth for society as a whole. The second unit addresses other complementary areas of action that are also important, and which depend largely on the success of initiatives in the fundamental areas. Given the links between them, an effort is made to highlight connections between fundamental areas and the others.
83. The treatment of specific sections, for both the fundamental areas and other areas of action, seeks to concisely convey the basic philosophy by listing principal objectives and the main measures to be undertaken.
84. In the accompanying operational matrix, greater detail is sought through a presentation of specific priority projects in the fundamental areas and respective timeframes for their implementation.
85. The Action Plan does not exhaust the vast and complex set of areas, programmes, and actions of the Government. The areas, programmes and actions selected here are those, which are best suited for the efforts to be undertaken for substantially reducing absolute poverty by promoting rapid, inclusive, broad-based and sustainable economic growth. As a result, the selected areas, programmes and actions are not limited to those with an immediate impact in reducing poverty. It is necessary also to include areas, programmes and actions with a medium-term impact to ensure that the reduction of poverty is sustainable and substantial.
86. The selection and classification of areas for action, the determination of objectives and activities to be taken, and their prioritisation, were based on four fundamental assumptions. Firstly, it is the initiative and broad action of citizens themselves and their institutions (families, enterprises of all sizes, religious institutions, associations, clubs, NGOs and others) that will lead to a significant reduction in absolute poverty. These initiatives and actions are the source of expanded employment, investment, and the supply and demand for goods and services, as well as in the satisfaction of material and spiritual needs: in sum, improvements in the overall welfare of society, and concrete progress in reducing poverty through socio-economic development and inclusive, broad-based and sustainable economic growth. Secondly, the State is responsible for continuously redirecting and recasting its efforts in order to effectively facilitate and support the initiatives and actions of the citizens and their

institutions. To this end, the State will act to meet the following challenges: (a) carry out necessary changes in attitudes of public institutions and their workers towards citizens and their institutions; (b) rapidly build capacity to carry out the necessary decentralisation, in a permanent process of interaction with other partners in society; (c) significantly raise the effectiveness and efficiency of the actions to be taken; raising the State's capacity to deliver is what will ensure the provision of necessary services that are expected; and (d) exercise control to reduce corrupt practices amongst State employees in their dealings with citizens and their institutions. Thirdly, given that this is a long-term challenge, measures to preserve the environmental balance and minimise the risk from natural disasters are important. In short, it is necessary to identify strategies for rapid, broad-based and **sustainable** economic growth. Fourthly, it is worth highlighting the fact that the ongoing search for ways to reduce poverty and promote sustainable economic growth cannot be separated from the need to systematically promote a healthy climate of social, political and macro-economic stability.

A. FUNDAMENTAL AREAS OF ACTION

87. This section concentrates on areas/sectors that merit special attention due to the critical role they play in their impact on poverty reduction, socio-economic development, and inclusive, broad-based economic growth. Besides, these fundamental areas constitute the foundation for success in other areas. Success in the fundamental areas of action will unleash a virtuous cycle for the whole society.
88. The following are considered as the fundamental areas of action: education, health, infrastructure (roads, energy and water); agriculture and rural development; good governance, legality and justice; and macroeconomic and financial policies. There is considerable convergence of thinking in regards to the following:
- (a) Human capacity is the primary contributing factor to the initiatives and actions of citizens and all social institutions. This capacity must be continuously raised. To this end, education and health are unarguably vital areas for action. Through these areas one may pursue policies for redistributing wealth and income, improving the welfare of the population, improving labour efficiency, expanding the people's capacity to achieve and act, and ensuring sustainability for the long term. In this sense, with regard to education, in addition to the importance attached to basic primary education and literacy, technical training and higher education also gain relevance.
 - (b) The availability of adequate infrastructure (in particular, roads, energy and water) is another basic factor to facilitate the initiatives and actions of citizens and their institutions. Amongst other considerations, infrastructure contributes to the availability and mobility of factors of production, makes possible the process of work, innovation and structural change needed in the

medium and long-term, and ensures the functioning and expansion of markets.

- (c) A large majority of the population, of the producers and of the poor, is living in rural areas and engaged in agriculture, forestry and livestock rearing. These areas therefore deserve priority. Initiatives and actions of these populations and producers should be facilitated and subjected to the necessary long-term structural changes as a means to substantially reduce absolute poverty and vulnerability. Action in the area of agricultural and rural development, as such, is also intimately linked to human development, and the development of infrastructure, markets, and financial services.
- (d) As already mentioned, the initiatives and actions of citizens and their institutions requires appropriate measures from the public sector in carrying through the necessary change in the attitudes of State institutions and workers. Therefore, actions in the field of good governance, legality and justice are of the highest importance. This in turn requires the identification of important measures for institutional development that are compatible with the objective of ensuring that state institutions serve the public. Deconcentration, and administrative and financial decentralisation to the provinces and districts are vital, since they will contribute to better interaction at local level between public institutions and the population (including the poor) in the fight against poverty through socio-economic development.
- (e) Macroeconomic and financial policies are fundamental public policies, to ensure a greater mobilisation of domestic resources and a more transparent, effective and efficient budgetary process, in accordance with the established priorities. In the area of financial policies, there is a particularly important demand for new initiatives to ensure greater availability of financial services (savings and credit) in rural areas, for the poorest, and for micro and small-scale enterprises.

89. Within these fundamental areas of action, the principle objectives having a clear connection to the aims of poverty reduction and economic growth are included in the programme. The identification of principal measures is more selective, with the selection of priorities taking into consideration three criteria: importance for the area/sector programme; expected impact (direct or indirect) in terms of poverty reduction and growth; and institutional and financial viability.

EDUCATION

Introduction

109. The social sector occupies a central place in Government activity, given the objective of poverty reduction. Public activities in the social sector have a direct redistributive effect on income and wealth. They also foster the development of human capital, which is a fundamental asset in all spheres of society, with an unlimited demand on the part of individuals and institutions (public and private).¹ Education has an important place in this context, directly impacting on the creation and expansion of human capacities and abilities and contributing decisively to inclusive and broad-based economic growth.
110. The concept of education is used here in the sense of a broad and complex system containing formal and informal elements. Management of the educational system operates through a number of sub-systems: primary education; literacy programmes and adult education; general secondary education; technical training (elementary and arts and crafts; basic secondary; medium); the training of teachers; higher education; and vocational training. Despite their relative autonomy, these sub-systems interact; consequently they require a holistic approach over the medium and long term.
111. At least four main problems are identified in the education sector, namely: limited access to educational opportunities (in the various sub-systems); poor and deteriorating quality of teaching and of human resource creation in general; a high rate of inefficiency (with resultant waste) which translates into high repetition and drop-out rates; high costs of expanding access and improving the quality of education on offer. These problems determine the basic objectives of the overall education strategy, which are: to expand access; improve quality; improve efficiency; and reduce costs. At the same time, the importance of increasing access is underlined, paying particular attention to the promotion of social equity, and equity between the regions, the cities and rural areas, and on the basis of gender.
112. The public policies and management of education are implemented through comprehensive strategies, which include: the Strategic Plan for Education; the Strategic Plan for Technical-Vocational Education (to be finalised), the Strategy for Higher Education (to be finalised).
113. Through the National Policy on Education and the Strategic Plan for Education, the Government has given priority to primary education with a view to the central objective of rapid progress towards universal primary education. This priority is part of the objective of promoting greater social, gender and regional equity, both within and outside the educational system. It is linked to the acquisition of basic skills, including literacy, and an improvement in access to employment and livelihood opportunities in a sustainable manner.

¹ This includes families, enterprises, associations, religious institutions, NGOs, clubs, etc

114. In working towards universal primary education, a significant improvement in the gross admissions rate at EP1 level has been evident. From 54% in 1994, this rose to 79% in 1998 and 114% in 2000. The gross rate of schooling at this level stood at 91% in 2000. In EP 2, the gross rates of admission and schooling remain low, being 21% and 23% respectively in 2000. Enormous effort is still required to reach the objective of ensuring places in school for all Mozambican children. In order to consolidate and build on the achievements in primary education, during the period 2001-2005 the building of 1,500 classrooms and the training of 1,650 teachers annually are planned.
115. Primary education retains its vital importance. However, the need to expand access to opportunities for employment and generate higher income levels, the challenges of sustainability within the educational system itself, and the overall process of socio-economic development (in particular the requirements to improve in technical and scientific fields), imply that it is also necessary to pay attention to other types and levels of education, in particular technical and higher education. This fits the necessity of taking a systemic view of education, which is facilitated by the relative success already achieved in primary education.
116. The problems referred to above are felt in various sub-systems, raising enormous challenges to be overcome. For example, there are linkages and critical problems affecting higher education, technical-vocational training and general secondary education.
116. Mozambique suffers from a dramatic deficit of professionals with higher education in all fields. By way of example, the primary, general secondary and middle technical sectors operated in the year 2000 with only 752 teachers who have higher education (bachelors degrees and honours degrees). In 1998, less than 3% of the national staff for the whole Public Administration had a higher education.² It is imperative to overcome the current situation of poorly qualified human resources at all levels and in all areas, including the vital field of evaluation, design, implementation and monitoring of strategies, policies, programmes and projects of both the state and non-state sectors. This is a fundamental aspect of the concept of ownership, essential to the successful prosecution of appropriate strategies and policies
- 116.2 What is most serious is that this problem has no short-term solution. The present number of students in all establishments of higher education in Mozambique totals around 11,600, for a population exceeding 16 million. This figure is insignificant when compared, for example, with more than 9,000 students at the University of Botswana (a country with a population 10 times smaller) or 50,000 students at the University of Abidjan, in a country with a population of 14 million inhabitants.

² Only 12% of workers in the Public Administration completed the first or second level of secondary school.

116.3 The constraints, which cause this deficit in higher education, arise from the small number of places available, coupled with poor quality of the courses offered. The high cost of higher education translates into an inability on the part of significant numbers of potential candidates to take up places.

116.4 On the other hand, a significant change in the university student population depends on an increase in the number of candidates, i.e. those who have graduated from secondary schools with good pre-university qualifications. But there is also a deficit in the supply of high school graduates. The number of students registered in the 12th grade in 2000 throughout the country, including repeaters, is only 4,161. If this figure were to remain constant, even if all the students graduated and had access to higher education, and even if all the remained in school (i.e. so that the number of students in higher education constantly grew), it would take 10 years to reach the current number of students at the University of Abidjan, or nearly twenty years before it reached the proportionate number of students at the University of Botswana. This clearly illustrates the effort needed to in secondary education as a pre-requisite for the nurturing of higher education.³ An enormous effort is required in order to adequately increase access to, and graduation rates in, the secondary education system in order to meet the demands of the market, the training of teachers and the expansion of higher education.

116.5 Technical-vocational training is responsible for the training and supply of highly qualified labour and technicians (at their respective levels and specialisations) according to the needs of the market. The demand for technical education also includes the need for skills for self-employment and as entrepreneurs (as employers and businessmen).

116.6 The inherent merits of technical education at all levels are substantially increased when one views them against the negative background of higher education mentioned above. While not a substitute for higher education, a good supply of medium-level technicians can contribute to filling the gaps left by the existing shortfall in higher education.

116.7 However, the three levels of technical-vocational training have been neglected until recently. By the end of 1998, only three technical schools remained open at the elementary level with a total of 400 students registered. At the same time, current graduation rates for intermediate level technical-vocational training also makes for sombre reading. For example, the number of students registered in the third year of the intermediate technical courses throughout the country in 2000 was 852. Furthermore, according to one analysis, “The curricula are of doubtful relevance to the current needs of the labour market. The equipment and infrastructure (and libraries) are obsolete and in bad condition. The quality of teaching and the technical knowledge of students are not, in general, sufficient to meet the requirements of employers or to meet the standards needed for self-employment.”

³ It should be remembered that the high school system also provides graduates for the labour market, as well as candidates for the training of primary, secondary and other teachers.

117 The scope of action needed in the education sector means that success will only come about if there is broad participation by other social actors besides the public sector. At the same time, the needs of the public sector are high and require large expenditures at the same time, as there are resource constraints.⁴ Therefore, the need to establish a system of partial cost recovery must eventually be faced.

118 Finally, reference must be made to the fact that the educational system is criticised by users and communities as suffering from ethical problems. This issue was raised during the consultation process. There is alleged corruption in the admissions process, in the demand by teachers for illicit payments for proper instruction outside the classroom, and in the classification of students. There is also a problem of sexual assaults on female students by professors, and cases of professors coming to class drunk. This is a serious educational problem, due to the negative influence of such actions and behaviours by professors on the personality formation of children and future adult citizens. One must ensure that the example of citizenship presented to new generations of Mozambicans are based on sound ethical values. Measures required include greater and more effective school inspections and an increase in the participation and power of communities in School Councils.

The Programme in the field of Education

119 The education programme has ten components: primary education; literacy and adult education; general secondary education; technical-vocational education; teacher training; ethical training and raising of the quality of services delivered by the educational system; higher education; professional training; special education; and the fight against HIV/AIDS in the education sector.

120 Primary Education⁵

120.1 Main Objectives: To provide universal schooling; improve the quality and efficiency of teaching

120.2 Principal actions to be undertaken:

- Review targets and projections of the education programme in the context of achieving universal primary education by the year 2004 with around 3 million students in EP1, of which 49% in first grade should be girls.
- Revise and reformulate the primary school curriculum⁶.
- Ensure availability of basic school materials for individual and collective use, maintaining a coverage rate of at least 75%, for children from poor

⁴ In prosperous Sub-Saharan African countries such as Botswana, Mauritius and South Africa, annual state expenditure on education ranges from 6%-9% of GDP.

⁵ This includes pre-school education.

⁶ This includes those aspects, which would give it a more practical character, with an emphasis on “knowing how to do something”. Introduce subjects on “basic arts and crafts”.

households, of the free textbook programme in primary education via the School Fund. Ensure that District and Provincial Directorates of Education apply the exemption from social welfare taxes for the poorest households.

- Train annually 1,680 primary school teachers, ensuring an increase of 2% per annum in female teachers (through a programme of scholarships for this purpose).
- Build annually 1,500 new schools, taking into account the need to reduce provincial and regional disparities (rural/urban).
- Improve the qualifications and training of School Directors (train every year 1,300 directors and 1,300 deputy directors) and ensure an increase in the number of women occupying these positions from the current figure of 6% to 35 %.

Other key measures include: the progressive integration of EP1 and EP2 schools so as to offer complete primary education in the same establishment; encourage alternative suppliers of education.

121 Adult literacy and Education

121.1 Main objectives: To reduce the high rates of illiteracy, particularly in rural areas, reduce adult illiteracy (currently estimated at 60%), overcome the problems of poor access by children and young people to the primary education sub-system.

121.2 Principal measures to be taken:

- Produce and print teaching material for non-formal and adult education.
- Train 5,000 voluntary literacy teachers per year.

Other key measures include: Develop and implement the adult literacy programme, geared especially towards women, and rural areas; involve religious institutions, NGOs and civil society in general in this programme; reactivate and strengthen the body in charge at the national level of Literacy and Adult Education.

122. General Secondary Education

122.1 Main objectives: Significantly expand access to general secondary education to meet the needs of the labour market, teacher training and the expansion of higher education; raise the quality and efficiency of this sub-system.

122.2 Key measures to be taken:

- Train annually 100 general secondary education teachers.
- Gradually establish schools at this level in districts currently not covered (build 25 ESG1 and 4 ESG2 schools).

Other key measures include: introduce distance education as an additional way of expanding access; carry out a revision of the curriculum with a view to its simplification and the introduction of new subjects of a vocational nature.

123. Technical-Vocational education

123.1 Main objectives: Substantially expand access to technical-vocational training; raise the standard of education on offer, and ensure that it meets the needs of the market; ensure the availability of commercial, agricultural and industrial specialisations involving a necessary partnership with the private sector and other interested actors.

123.2 Principal measures to be undertaken:

- Rehabilitate (9), build (8) and equip elementary agricultural and arts and craft schools.
- Carry out the revision of the curriculum⁷.
- Rehabilitate, equip and rationalise the elementary, basic and intermediate technical school network (i.e. implement a programme for re-equipping all existing schools at these levels in human and material terms, their laboratories, offices, and libraries).

Other activities include establishing elementary level technical institutions in all provinces that currently do not have them, namely Niassa, Nampula, Tete, Sofala and Gaza; adopt a programme aimed at offering specialised agricultural, industrial and commercial courses at the basic and intermediate levels, starting with the most heavily populated provinces.

124. Teacher training

124.1 Main objectives: Continue with investment in the training of more and better teachers to meet the needs of the expansion programme and improve the quality of teaching in various sub-systems and levels, as well as the promotion of equity, including gender equity.

124.2 Principal measures to be undertaken:

- Training primary school teachers: (see section on primary education).

⁷ Amongst other aspects of the process of curriculum reform, it is important to ensure that industrial and agricultural technical courses contain elements of business and commercial accounting and financial management. These subjects are vital to graduates, apart from the purely technical and technological knowledge they acquire. In effect, technicians should be capable of dealing with questions related to the management of production and businesses when they embark on self-employment or as entrepreneurs (as businessmen and employers). For this group of workers, the marriage of technical and managerial capabilities constitutes, in principle, an important basis for a spirit of innovation that is essential for the success and survival of businesses. From these professionals, a new wave of local businessmen may emerge.

- Training general secondary school teachers (see section on secondary education).
- Include material on professional ethics in the teacher training curricula, and ensure that these are rigorously taught.

Other activities include: design and implement additional professional and deontological training for secondary level teachers through a system of traineeships monitored by more experienced teachers; raise to at least 45% the proportion of women in teacher training courses.

125. Ethical improvement and raising the quality of services in the educational system

125.1 Main objectives: Systematically promote the strengthening of ethical values within the educational system; revive and impose respect for the spirit of service and norms in educational institutions; exert pressure in order to reduce corrupt practices in schools and the system as a whole.

125.2 Principal measures to be undertaken

- Revise internal regulations of the School Councils in order to strengthen the role and participation of communities.
- Strengthen the school inspection service.

126. Higher education

126.1 Main objectives: Expand access to higher education; raise the standard of the courses given; extend higher education opportunities to citizens from regions outside Maputo; contribute to the viability of expanding the number and size of higher education institutions and the resultant increase in the number of places available.

126.2 Principal measures to be undertaken:

- Develop, evaluate and implement a project to create a higher education loan scheme for Mozambican students⁸;
- Carry out a feasibility study, and establish two higher education institutions in two provinces that are currently not covered by the higher education network;

Other key activities include involving non-public institutions in the provision of higher education services.

⁸ The expansion of higher education can be promoted through cost recovery by institutions at this level, to increase the number of places available and improve quality. The eventual solution will be for students to pay adequate fees at the institution of their choice. This would lead to competition between institutions in offering more places and better teaching at a lower cost. The feasibility of students paying fees to cover costs may come from the establishment of a scholarship foundation. Eventually, this fund could also be used for the expansion of intermediate technical education.

127. Professional training

127.1 Main objectives: To facilitate the expansion of investment and job creation in all regions of the country through an improvement in the supply of qualified labour; increase employment opportunities for citizens.

127.2 Principal measures to undertaken:

- Restart and expand vocational training activities in the North (operationalise the vocational training centre in Nampula and establish and operationalise the vocational training centre in Lichinga).
- Use the network and capacities of the technical training schools to provide vocational training services.⁹

Other measures include: involving the private sector and trade unions (acting separately, in partnership with each other, or with the State) in the provision of vocational training. (Build on existing good practices in vocational training, for example in the construction sector and road building, with participation of the private sector).

128. Special Education

128.1 Main objectives: Provide opportunities for special education for children with handicaps, as well as those who are gifted.

128.2 Principal measures to be undertaken:

- Rehabilitate 4 and build 3 special education schools.

Other key actions include: adopting a programme to effectively accommodate these special cases in their classrooms or in specialised institutions.

129. Combating HIV/AIDS in the education sector

129.1 Main objectives: In the context of the overall effort of the national AIDS programme, carry out specific measures in this sector.

129.2 Principal measures to be undertaken:

- Include material on education and prevention of HIV/AIDS in school curricula.
- Produce and disseminate informational material on HIV/AIDS for students and teachers;

⁹ This could contribute to a certain amount of cost recovery and improve the financial viability of these schools and technical institutes.

- Undertake an impact assessment of HIV/AIDS on the education sector and incorporate the results into educational planning.

HEALTH

Introduction

130. Health, like education, occupies a vital place in the social sector given its role in promoting and preserving the health of the population. The health sector contributes directly and in the short-term to improving the welfare of the population, while also playing a role in the redistribution of income and wealth. It also contributes to the creation and preservation of human capital, as a key element in a strategy for accelerated economic growth and poverty reduction. Measures in the health sector contribute directly to the reduction of morbidity and mortality rates. The health sector thus contributes also to higher productivity.
131. It is currently estimated that the coverage rate of health service stands at around 50%. The most important causes of morbidity and mortality continue to be the transmittable diseases such as malaria, parasites, tuberculosis, acute respiratory infections, and diarrhea etc. The HIV/AIDS pandemic, (which is a risk factor for economic growth and national survival in the long term), is rapidly expanding and constitutes an enormous challenge to a health system already overburdened with diseases attributable to HIV/AIDS.
132. Programmes for the health sector are drawn from the Strategic Plan for Health (to be finalised) and its antecedents. The health programmes are consistently in search of: improved quality of health care services; expanded health care coverage; and improved planning and management of the health sector. These programmes pay special attention to the needs of underprivileged segments of the population. The Primary Health Care strategy (CSP) remains the key axis for the sector, given the high rates of morbidity and mortality in general, and among high-risk groups in particular, namely women of childbearing age, children, the population of rural areas, and those who live in absolute poverty.
133. The supply of clean drinking water and sanitation is also a basic factor in improving the health and quality of life of the population. (See section on Water/infrastructure, provision of clean water and sanitation.)
134. The health sector faces a great challenge in terms of coverage and effectiveness throughout the country. Progress in this direction should unequivocally take into account the need to increase the integration of traditional medicine into the national health service. Bringing together these systems raises the possibilities for interchanges and joint training of health sector personnel; for medical research; for pharmaceutical research and development; and for the future development of a drugs industry.

135. The scope of measures to be implemented in the health sector means that success will only result from the broad participation of other social actors besides the public sector. At the same time, for the public sector, the needs are enormous and require vast expenditures against a background of resource constraints.¹⁰ Therefore, the eventual need for some form of partial cost recovery must be considered.

136. The management of scarce resources may imply that a proper regional orientation is necessary, paying attention to the most highly populated provinces, and those, which in the past suffered most from destructive effects of the war.

The Programme in the area of Health

137. The programme integrates six components: primary health care, combating epidemics, the fight against HIV/AIDS; the health network; the development of human resources; and planning and management of the health sector.

138. Primary health care

138.1 Women's health

138.1.1 Main objectives: Improve access and the quality of health care for women.

138.1.2 Principal measures to be undertaken: Operate services to achieve the following targets:

- Reduce the institutional maternal mortality rate to <100/100,000 live births.
- Expand coverage of institutional births to 50%.

Other important targets include: reaching a coverage rate of 98% for ante-natal consultations, with an effective diagnosis of High Risk Pregnancies; increase coverage of post-delivery consultations to 60%; increase the coverage of family planning to 18%.

138.2 Child health care

138.2.1 Main objectives: To improve child health care and prevent the main epidemics, which affect children through vaccinations.

¹⁰ In the prosperous countries of Sub-Saharan Africa, such as Botswana, Mauritius and South Africa, annual health expenditure in the budgets varies between 3%-4% of GDP.

138.2.2 Principal measures to be undertaken: Operate services to achieve the following targets:

- Raise the rate of first consultation for children between 0-4 years from 60% to 68%.
- Ensure that at least 75% of children born over the next ten years are completely vaccinated before the end of their first year of life (eight vaccines), especially in rural areas.

Other important targets include: reducing the child (0-5) mortality rate to <200/1000 live births; maintain the rate of first consultation for children between 0-11 months at 98%; maintain 98% coverage rate for the vaccination against tuberculosis in children aged below 1; achieve national coverage of 98% for polio and DTP for children between 0-23 months; achieve national coverage of 98% for measles vaccination for children between 9-23 months; achieve national coverage of 35% in tetanus vaccination of women of child-bearing age.

138.3 Health care for youth and adolescents

138.3.1 Main objectives: Improve health, and knowledge of health issues amongst young people and adolescents, through school health activities.

138.3.2 Principal measures to be undertaken:

- Train personnel to work with adolescents in Family Planning, complications arising from abortion, and the prevention and treatment of HIV/AIDS.

Other key measures include: creating health services that serve the reproductive health needs of adolescents.

138.4 Nutrition

138.4.1 Main objectives: To contribute, in partnership with other agents, to an improvement in Food and Nutrition Security in the country; to reduce the prevalence of micronutrient deficiencies in children and women of childbearing age.

138.4.2 Principal measures to be undertaken:

- Distribute vitamin A capsules to all children between the ages of 5-59 months who attend consultations.
- Run the LOA programme (milk, oil and sugar) in training, equipment and products.

Other key actions include: promote the availability and consumption of iodised salt; contribute to the reduction of cases of food poisoning resulting from the use of bitter cassava in Zambezia and Nampula.

139. Health care in the fight against serious epidemics

139.1 Diarrhoeal diseases

139.1 .1 Main objectives: Reduce the epidemiological impact of diarrhoeal diseases.

139.1.2. Principal measures to be undertaken:

- Promote better co-ordination and the more effective implementation of health activities targeting children, contributing to a reduction in the mortality rate of children below 5 years.

139.2 Malaria

139.2.1 Main objectives: To reduce deaths from malaria amongst vulnerable groups.

139.2.2 Principal measures to be undertaken: Operate services to achieve the following targets:

- 60% of the sick in Health Units treated according to the correct protocol, and 50% of malaria cases in communities treated in accordance with community-based treatment and prevention norms.
- Promote the Integrated Management of Childhood Diseases (GIDI) and the antenatal treatment of women in at least 80% of the health posts in 20 districts.

Other important targets include: 80% of households in the priority districts in the provinces of Gaza and Zambezia to use treated bed nets; 80% of houses in the target areas to be fumigated with insecticides; implement a programme of malaria prevention in pregnant women (prophylactics or intermittent treatment) in 50% of the health posts in 10 districts.

139.2 Tuberculosis

139.2.1 Main objectives: To reduce mortality and morbidity rates and the transmission rates of tuberculosis.

139.2.2 Principal measures to be undertaken: Operate services to reach the following targets:

- Improve the geographical and functional coverage of the programme so that 100% of existing health posts, as well as communities with trained volunteers, have the ability to correctly treat tuberculosis (control phase).
- Achieve a success rate of at least 75% in the treatment of new confirmed cases of tuberculosis.

Other important objectives include: detect 90% of new cases; reduce the prescription non-compliance rate for short-term treatment to less than 10%, and for multi-drug treatment to less than 10%.

139.3 Leprosy

139.3.1 Main objectives: To reduce the prevalence of leprosy to <1 case per 10,000 by the end of 2005.

139.3.2 Key measures to be undertaken: Operate services to achieve the following:

- Improve the geographical and functional coverage of the programme, so that 100% of all existing health posts, and communities with trained volunteers can correctly treat leprosy.
- Achieve a success rate of at least 85% in the treatment of cases.

Other important targets include: early detection of leprosy cases so that the number of patients with deformities within the group of new cases is below 10%; reduce the percentage of leprosy patients whose deformities worsen in the course of treatment to less than 10%.

140. The fight against HIV/AIDS

140.1 Main objectives: Prevent HIV infections; assist people with HIV/AIDS; reduce the impact of AIDS.

140.2 Principal measures to be undertaken:

- Carry out essential and high quality preventive measures, targeting the 2,310,000 people estimated to have sexual relations with irregular partners, and which includes: treatment of STDs, counselling and voluntary testing, controlling blood transfusions, testing for syphilis.
- Set up and operate confidential counselling and voluntary testing centres in Maputo, Chimoio, Beira, Nampula, Tete, Quelimane; establish and operate day care units in Maputo, Chimoio, Beira, Nampula, Tete and Quelimane.
- Carry out education and information campaigns on STDs/HIV/AIDS, to include theatre shows for 3,900,000 people.
- Distribute condoms to 4,500,000 HIV positive persons.

Other key measures include: provide partner education to 1,250,000 vulnerable people; ensure access to essential health care services: 30,000 clinical treatments and home care for 9,500 cases of people living with HIV/AIDS, as well as their families; ensure the provision of psychological, medical and social care in all health centres in district headquarters along the corridors in the South, Centre and North of the country; ensure the availability of voluntary and confidential testing for 32,000 people with HIV/AIDS.

141. The Health network

141.1 Main objectives: To improve access to health care services through an expansion of the network with the following targets in mind: (a) reduce the index for primary health units to 10,000 inhabitants per unit; (b) reduce the direct and indirect zone of influence distances for primary health units to 8kms and 100kms, respectively. Improve the quality of primary service provision through equipping health units and making available funds to achieve the following targets: increase the availability of hospital beds to 1/1000 inhabitants, and 1/1000 women of child-bearing age in the provinces where the needs are greatest (Zambezia, Nampula and Cabo Delgado).

141.2 Principal measures to be undertaken:

- At the primary level, build 65 new health centres, and rehabilitate and extend at least 16.
- Rehabilitate and expand 6 rural hospitals in the provinces of Sofala, Zambezia and Cabo Delgado and transform 8 health centres into rural hospitals in Zambezia, Tete, Manica and Sofala.
- Equip all health units at primary and secondary level.
- Increase annually the provincial funds from recurrent budgets, taking into account regional inequalities in requirements of the health network, activities developed, levels of poverty, and local conditions.

Other key measures include: establishment of an efficient primary level referral system in all districts, with flowcharts for patients; rehabilitate, expand and equip 5 provincial hospitals at the tertiary level (Pemba, Quelimane, Tete, Chimoio and Xai-Xai); rehabilitate, expand and equip the central hospitals in Nampula, Beira and Maputo.

142. Development of human resources

142.1 Main Objectives: To ensure the training of essential personnel to meet the expected requirements for expanded and improved health care services; create a balance between primary and secondary level health teams. Pursue the targets of raising the ratio of health personnel per 1,000 inhabitants to 1/1,000, with 100% of the primary health units staffed by qualified personnel.

142.2 Principal measures to be undertaken:

- Training 3,000 basic and elementary level health technicians; training 900 middle level technicians; training 75 specialist doctors in priority areas.

143. Planning and management of the health sector

143.1 Main objectives: To improve planning and management methods with emphasis on the development of information, planning and financial management tools for primary level health services.

143.2 Principal measures to be undertaken:

- Finalise and approve the Health Sector Strategic Plan.
- Develop and approve the provincial health strategic plans.
- Develop a provincial financial information system and develop evaluation and management tools for primary level care.

Other key measures include: study the cost of primary level care and review expenditure at the provincial level; develop an integrated health information system consisting of: (1) health information system for levels 1 and 2; (2) information for levels 3 and 4; (3) epidemiology for epidemics and serious endemics (malaria, etc); (4) priority programmes (STDs/HIV/AIDS, ELAL and ELAT (leprosy and TB control); (5) human resources; (6) pharmaceuticals; (7) infrastructure; (8) financial and administrative aspects, including maintenance, transport, and supplies; and (9) surveys.

INFRASTRUCTURE – ROADS, ENERGY AND WATER

Introduction

144. The analysis of the macroeconomic context, above, as well as the process of consultation, show that the availability of infrastructure is an essential factor for the rapid expansion of economic activities, and thus for the reduction of poverty. The development of the private sector as an engine of growth depends on the availability of basic infrastructure. Likewise, the section on agriculture and rural development, which affects millions of small family producers (who play a critical role in ensuring a broad-based and poverty-reducing economic growth), underscores the fact that success depends on measures to provide infrastructure and services, not just on agricultural programmes as such. Besides water and energy (which are essential for agro-industrial activities), transport and communications infrastructure and services, including roads, railways and ports, coastal shipping, postal services and telecommunications, are vital for the agricultural sector. Infrastructure, as a whole, is vital for increasing productivity, reducing costs and expanding markets, to make economic activities more viable and improve welfare.

145. The present section of “fundamental areas of action” deals with roads, energy and water. Other infrastructure is dealt with in later sections, especially in transport and communications.

Roads

146. Background

146.1 The National Road Network (classified roads) totals 26,000 kms. The scarcity of resources imposes restrictions on rehabilitation and expansion programmes. The

question of maintenance requires even greater realism and the need to prioritise the programmes that are adopted

- 146.2 In view of the resource constraint, questions of road quality, construction and maintenance technology, the inspection of works, and finances are critical elements of the roads programme.
- 146.3 The National Roads Programme has covered around 55% of the National Road Network. Since 1992, this has been financed through the ROCS (Roads and Coastal Shipping Programme). ROCS I was completed by 1999, with priority given to studies and projects, planning and institutional capacity-building. The execution of ROCS II has started, focusing essentially on works. This is expected to end in 2001. Through the ROCS programmes, around 95% of the financing has been executed, corresponding to a 60% completion rate of the planned works.
- 146.4 After 2001, ROCS II will be followed by the ROADS III Programme, with a timeframe of 10 years and a cost of around US\$1.2 billion. Amongst the priorities are some of the feeder roads, and support to municipalities by the National Roads Authority for urban roads.¹¹ Under the ROADS III programme, special attention is given to critical points along roads, in particular the bridges.
- 146.5 The Government's programme for 2000-2004 has a section on roads composed of elements from the aforementioned past programmes.
- 146.6 The execution of the ROCS programme (particular ROCS I) laid the foundations for making choices about the technology to be utilised. At the same time, priorities have been determined by composite criteria, which include the impact on poverty reduction, economic potential, and rates of return.
- 146.7 The future viability of the roads programmes will depend on the development of, and choices made for the financing of road maintenance. There would appear to be two possible solutions at hand, which are ultimately compatible: the channelling of fuel tax to the Road Maintenance Fund; and the granting of concessions for the management of roads or stretches of roads, with the introduction of tolls. Depending on the circumstances, the granting of concessions might allow for more sophisticated building techniques and the construction of better quality roads. Nevertheless, resource constraints will continue to exist. As a result, the mechanisms for defining priorities for the road construction and rehabilitation programme need to be improved, especially at the provincial and local level.

¹¹ The municipalities are responsible for urban roads

147. The Roads Programme ¹²

147.1 Main objectives: To contribute to the expansion of markets, especially agricultural markets; ensure access by road to those districts that have the greatest economic potential (particularly in agriculture, forestry and animal husbandry), granting the necessary priority to the most highly populated provinces and those with the highest concentrations of the poor; establish road access between the principal regions of the country and develop the main corridors; improve the mechanisms for defining priorities in the road construction and rehabilitation programme, especially at the provincial and local level; improve the quality of construction, rehabilitation and maintenance of roads.

147.2 Principal measures to be undertaken:

- Reduce to less than 5% the number of impassable roads; reduce to 25% the percentage of poor quality roads (through labour intensive maintenance).
- Connect the districts with the greatest economic potential to provincial capitals (and/or port cities) through roads that are passable all year round (carry out the necessary rehabilitation and maintenance); connect localities with the greatest economic potential to district headquarters through roads that are passable all year round (rehabilitate tertiary roads); rehabilitate feeder roads, with greater responsibility given to local authorities and increased participation of the local population.
- Continue with the rehabilitation and reopening of roads and bridges that contribute to the reestablishment of the North-South link, namely the stretches connecting Gorongosa - Caia, the bridge over the Zambezi, Zambezi river-Nicoadala, Namacurra-Ligonha river, Nampula-Namialo, Namapa-Metoro-Sonate, Macomia-Awasse, Mocimboa da Praia-Palma-Rovuma river, and to the development of the main transport corridors.
- Extend and consolidate, at the provincial/local level, the work of the National Roads Authority (ANE), allowing priorities to be determined in conjunction with other actors in society (establish the Provincial Roads Councils).

Other key measures include: improve the inspection of works; take decisions on the financial feasibility of the construction and rehabilitation of roads; implement the decision to grant autonomy to the Road Maintenance Fund.

Energy

148. Background

148.1 The country has great potential in energy production, particularly hydro-electric power. Large-scale production of energy has, in the medium and long term, guaranteed markets both domestically and externally.

¹² The objectives of the roads programme are to be achieved in conjunction with activities for coastal shipping, as dealt with in the section on transport.

148.2 The availability of electricity is essential because it widens opportunities for initiatives and activities by which the people can improve their welfare. It is also critical factor in promoting the structural changes necessary for rapid economic growth. Investment in complementary economic activities and alternatives to agriculture (agro-industries, other branches of industry and services) depend on the availability of electric energy. These activities are necessary for raising productivity and production in the agricultural sector, and for absorbing the labour surpluses that will arise in agriculture as productivity increases.

148.3 Investment in complementary activities and alternatives to agriculture tend to take place in areas/regions with dependable sources of energy. As a result, the availability of energy is a major factor determining the existence or elimination of regional imbalances in economic and social development.

148.4 The poorest segments of the population (above all, in rural areas) depend almost exclusively on firewood and charcoal as energy sources. With a growing population, the danger arises of environmental degradation, especially in the most densely populated areas. For this reason, it is very important to pursue research and development on alternative energy sources.

148.5 The domestic production and distribution of energy are areas where the private sector can potentially be involved, which could contribute to an expansion in the availability of energy to areas not currently covered.

148.6 The policy on energy is based on a regulatory framework, of which the most important component is the Strategy on Energy approved by Decree 24/2000.

149. The energy programme

149.1 Main objectives: Expand the population's access to energy sources, reducing the environmental impact of using of non-renewable sources; contribute to the supply of dependable energy in the main regions of the country, strengthening their economic growth and reducing regional imbalances; promote the use of new and renewable energy sources in the electrification of remote areas; electrification of districts with economic potential; promote the participation of the private sector in the field of energy.

149.2 Principal measures to be undertaken:

- Electrify 25 administrative posts, through the use of solar energy systems.
- Install power plants in 42 district headquarters.
- Expand the national grid through the building of new lines: 110 KV, Xai-Xai Lindela; 110 KV, Nampula-Nacala; 110KV, Nampula-Chiure-Pemba; 110KV, Gurue-Lichinga; 400 KV, Songo-Nacala.

Other measures include supplying electricity to 60,000 new domestic consumers.

Water

150. Antecedents

150.1 Water has great social importance, being a matter of human survival in both rural and urban areas, which is also linked to the question of sanitation. With regard to the economy, the availability of water has similar effects to those mentioned for energy. It is a basic factor for agriculture, linked to the survival of plants and animals. At the same time, regularity in the supply of water directly influences the stability of the output growth in this sector. Herein lies the importance of irrigation, which is dealt with as a specific component in the section on Agriculture and Rural Development. Obviously water is also indispensable to diverse industrial process that may or may not be linked to agriculture.

150.2 In the specific case of Mozambique, with its various international waterways, the issue of water should take regional factors into account within the framework of the SADC.

150.3 In addition, irregularities in the availability of water are a source of floods to drought.

150.4 Issues related to water are dealt with by the Governmental through the National Water Policy.

The Water Programme

151. The Water programme has two main components: the management of water resources, and the supply of water and sanitation.

152. Management of Water Resources

152.1 Main objectives: Promote the sustainable use of water through the adequate maintenance of existing infrastructure and the construction of new small and medium-sized dams; introduce planning mechanisms for the management of water basins and the sustainable, economic use of inland and coastal waters with a view to preserving environmental balance.

152.2 Principal measures to be undertaken:

- Rehabilitate the hydro-meteorological network and establish the flood warning management office.
- Promote waterway management through water storage schemes that limit the negative impact of floods and drought (carry out feasibility studies for dams

in Moamba/Major, Bué/Maria on the Pungué river and at Mapai on the Limpopo).

- Ensure supervision of and compliance with regional agreements on the management of international waterways (proceed with the agreements on sharing the waters of the Maputo and Inkomati river basins).

Other key actions include: promote the building of infrastructure for irrigation and the support of animal husbandry (see section on agriculture); pursue measures to implement and adjust the tariff policy in order to mobilise the private sector in the building of waterway management infrastructure.

153. Water supply and sanitation

153.1 Main objectives: Increase the supply of clean drinking water and the provision of sanitation in both urban and rural areas and reduce costs.

153.2 Principal measures to be undertaken:

- Raise the coverage level of water supply to urban and peri-urban populations to 50% through rehabilitating water supply systems and reducing losses;
- Raise the coverage levels of water supply to the rural populations to 40%, encompassing 6 million people by 2004, and ensuring the sustainability of local management of infrastructure; (implement water supply programmes in Zambezia, Nampula and Niassa provinces);
- Strengthen the improved latrines programme so that it reaches the same coverage as the supply of water.

Other key measures include: initiate implementation of the plan for providing rural water based on demand (Rural Water Transition Plan) in all provinces; ensure the rehabilitation and conservation of urban sanitation infrastructure for both waste and rain water in the largest cities, encouraging the participation of the private sector in the provision of these services; update the legislative framework and strengthen the strategy for involving the private sector in the management of water supply and sanitation in urban areas.

AGRICULTURE AND RURAL DEVELOPMENT

Introduction and principles of the strategy

154. Rural areas encompass the majority of the country's population (around 71%); and the largest number of productive units, around 3 million households, of which the majority are small producers. At the same time, the highest prevalence of poverty is in the rural areas, affecting around 71% of the rural population (as against 62% of the urban population), and representing 82% of the poor of the country. The rural population lives largely from agriculture, forestry and animal husbandry. With current levels of productivity (though low) they could supply the present needs of the

country for basic foodstuffs, though the diet would be insufficiently diversified and deficient in key micro-nutrients, and a significant degree of food insecurity would still exist at the household level. In recent years, besides contributing around 40% of the raw materials needed by the local manufacturing sector, the agricultural sector has also been responsible for 80% of the country's exports.

155. These facts serve to underline the key role of agriculture and rural development in any strategy for poverty reduction and rapid economic growth. There is a great potential for the agricultural sector to contribute to rising incomes, and achieve an average annual sectoral growth rate of around 8%, to meet projected domestic demand as well as the growth in exports. This expansion of the agricultural sector must be on an inclusive basis, resting fundamentally on "family sector" production, but also drawing on the "commercial sector".

156. The strategy to be pursued involves two main pillars:

- Empowering producers to increase the productivity of their activities;
- Transforming the role of public institutions, to facilitate and support producers through the provision of essential services, to ensure growth of the sector and reduce absolute poverty in the family sector.

157. It is necessary to recognise that success depends on measures to provide infrastructure and services outside the field of agriculture, as such. Transport and communications infrastructure, including roads, railways and ports, coastal shipping services and postal services and telecommunications, are vital. The expansion of markets to furnish inputs and absorb agricultural surpluses is vital to impel and maintain rising productivity and innovation in the sector. It is likewise essential that there be an adequate rural financial system, to create incentives for saving and provide credit. In order to ensure an increase in productivity, in light of the expected technological and structural changes in agriculture, the availability of, and access to, education is very important, particularly technical training at all levels. Finally, the availability of health and nutrition services is another fundamental factor in raising the productivity of rural workers.¹³

158. On the basis of these principles, a comprehensive strategy and programme has been elaborated for developing the agricultural sector, namely PROAGRI. Its objective, in combination with other initiatives, is to create the conditions needed for sustainable and equitable growth in agriculture, forestry and livestock, contributing to poverty reduction and greater food security, while protecting the physical and social environment. With a five-year timeframe, the principal objective of PROAGRI is to: *Create improved institutional mechanisms to finance and provide agricultural, forestry and animal husbandry services to the family sector, as well as the capacity to provide efficiently and effectively the essential public goods functions of the Ministry of Agriculture and Rural Development.*

¹³ Those programmes connected to infrastructure and services are dealt with in other sections of the poverty reduction and economic growth strategy.

159. To have the desired impact, the Ministry of Agriculture and Rural Development (MADER) will focus on priority activities, taking into account differences in the ten distinct agro-ecological zones in the country, and promote the role of the private sector wherever appropriate in order to reduce costs to the State.
160. The effective implementation of PROAGRI began in 1999, supported by a system of planning and operational annual budgets (PAAO), with provincial level specificity. The monitoring¹⁴ of PROAGRI's progress is based on the evaluation of MADER's success in implementing activities in accordance with eight basic principles. Six of these are directly linked to the potential for poverty reduction.¹⁵
- Promote increased productivity in agriculture and animal husbandry and higher monetary income of rural households.
 - Decentralisation and empowerment.
 - Policies, programmes and activities designed with greater attention to the rights and needs of small farmers respecting access to land, inputs, and markets (reflected in an increase in the use of inputs, rate of commercialisation, and access to extension services, and the implementation of the new land law).
 - A framework for agrarian policies directed towards the market (reflected in an improvement in the markets for inputs and products and institutionalisation of an information system on prices and markets).
 - Policies, programmes and activities designed with special attention to gender aspects (reflected in greater access for women to improved technologies).
 - Policies, programmes and activities designed with special attention to issues of social and environmental sustainability (reflected in the incorporation of findings from relevant studies at the planning stage).
161. The contribution of PROAGRI to the objective of food security, as laid out in the Food and Nutritional Security Strategy (adopted by the government in 1998), is through: (1) an increase in the quantity and quality of nationally produced foods; (2) an increase in the capacity to import products in line with the principle of liberalising markets; and (3) a focus on the development of the family sector, with emphasis on diversifying the sources of monetary income and diversifying diets to minimise risks to this sector. MADER has a Technical Secretariat for the Food and Nutritional Security Strategy (SETSAN), which is responsible for multi-sectoral

¹⁴ Unfortunately, the most relevant quantitative indicators are not yet available. The nationally representative baseline information, which will allow for the monitoring of progress in the agricultural-animal husbandry sector (monetary income, use of inputs) will come from the Agricultural Survey Work (TIA 2001) and may be incorporated in the next revision of the PARPA in 2002.

¹⁵ The other principles are indirectly linked to poverty reduction to the extent that they deal with the restructuring of the MADER in order to improve its capacity to deliver appropriate services in an effective manner. These are: (1) the activities of MADER are limited to key functions, with strengthening of MADER to carry them out, and (2) Good Governance.

coordination at the national and provincial level of activities concerned with reducing vulnerability to chronic food insecurity.

162. Besides vulnerability to chronic food insecurity, many Mozambicans are vulnerable to the negative impact of natural disasters. In addition to the activities of SETSAN, the MADER is responsible for improving the early warning system to reduce the risk of an increase in absolute poverty from losses due to natural disasters.
163. Given the basic principles of PROAGRI and the main objectives of SETSAN, four key strategic objectives have been identified as the contribution of agriculture to poverty reduction:
- (1) Raise the productive capacity and productivity of agriculture, forestry and animal husbandry in the family sector and the private sector using labour-intensive technologies, and sustainable management of natural resources.
 - (2) Guarantee rights of access to land and reduce the bureaucracy associated with land registration.
 - (3) Promote the marketing of agricultural and livestock products, and facilitate the marketing of surpluses and access to markets (for factors of productions as well as credit).
 - (4) Reduce the vulnerability of households and chronic food insecurity.

These objectives permit the organisation of activities and targets for institutional components of PROAGRI in shared areas of action, to facilitate understanding of the overall Operational Matrix for Agriculture and Rural Development in the PARPA 2001-2005. Below are presented aspects of the programme (specific objectives and priority activities) to be pursued in the area of agriculture, forestry, animal husbandry, and rural development.

The Agricultural and Rural Development Programme

164. The programme has ten components: extension services; research; support to agricultural production; animal husbandry; forestry and wildlife; land management; irrigation; micro-finance; rural communications; and institutional development.
165. The greatest contribution to poverty reduction will be through increased access to services, leading to a corresponding rise in production. With the direct impact of measures in the area of extension services, research, support to agricultural production, animal husbandry and forestry, and wildlife, the following results are expected at the end of the five-year PROAGRI period:
- 460,000 producers from the family sector will adopt improved technologies;
 - An increase of above 200% in returns per unit of land;¹⁶
 - Average annual increase in production of food items of around 240,000 tons;

¹⁶ This refers to producers in the family sector who, in the context of the programme, will adopt new technologies.

- Average annual increase of around 53,000 tons of vegetables, 16,800 tons of sugar, and 6,800 tons of rice through irrigation systems;
- 300,000 livestock producers will adopt improved animal husbandry technologies;
- An average annual increase in livestock production of around US\$ 18 million;
- An average annual increase in the lumber, firewood, charcoal and eco-tourism businesses of around US\$ 130 million;
- A significant rehabilitation of the cashew sector, with an expansion of pilot projects to improve productivity and achieve a production of 100,000 tons per year by 2005.

Each component of the programme contains priority actions, which will contribute directly to the basic objective of poverty reduction, as well as indirect actions, which contribute to the immediate and final objectives. These actions are summarised below by component:

166. Rural extension services

166.1 Main objectives: Together with research and support for production, the extension services aim to raise the level of productivity in agriculture, animal husbandry, forestry and wildlife, increasing incomes and ensuring food security for rural families. At the same time, it seeks to prevent the degradation of natural resources.

166.2 Principal measures to be undertaken:

- Disseminate information on technology options for the various productive systems, and train producers to apply these technologies through a widening of the rural extension network. This will require the consolidation of 36 rural extension networks covering 64 districts, strengthening the human resources, material and equipment necessary to carry out the functions of the extension agents, supervisors, and technical specialists.
- Promote producers organisations to take on the responsibility of managing available resources.
- Establish ties between suppliers of agricultural inputs and users (producers and associations).
- Establish clear ties with private companies and NGOs involved in providing extension services, strengthening the rural extension networks through outsourcing.

Other measures include: (1) organise the extension network on vertical lines with the main operational co-ordination at the provincial level and basic execution at the district level; (2) carry out information/extension campaigns based on participatory diagnoses; and (3) develop methodologies for community participation in the use of natural resources.

167. Research

167.1 Main objectives: (1) Conduct applied and adaptive research on available and imported technologies and know-how which can provide immediate results in improved productivity in agriculture, animal husbandry, and forestry, with emphasis on priority areas for the family sector, especially women involved in agriculture. (2) Develop cultural and management practices that contribute to the restoration and conservation of natural resources and technology, reducing the risk of soil erosion, degradation of soil fertility and the excessive use of chemical products. (3) Use of simple storage, conservation, and local processing methods for agricultural products. (4) Effective methods for the prevention and control of livestock diseases and control of foodstuffs derived from animals. (5) Technology to promote, protect and develop the sustainable use of forest and wildlife resources. The priority crops are: maize, cassava, rice, beans, cashews and cotton, given their importance to the family sector. In geographical terms, priorities in terms of their potential contribution in agriculture are: the interior of Maputo province, the south of Gaza, the coastal areas south of the Save river; the medium altitude areas of Zambezia, Nampula and Tete, the south of Cabo Delgado and Niassa, the coast of Zambezia, Nampula and Cabo Delgado.

167.2 Principal measures to be undertaken:

- Develop improved cultivation methods for the priority crops (tests and multiplication) as rapidly as possible, increasing effective collaboration with extension services, universities, NGOs and the commercial sector.
- Participate in the integrated control of pests and diseases linked to the other components (extension services, support to production, etc).
- Strengthen research capacity through the provision of infrastructure and equipment to permit effective research in each agro-ecological region¹⁷ and the training and development of human resources for research.

An additional measure with a direct impact is the establishment of an Agricultural Research Council for joint operational planning of research to be conducted by the various institutions (INIA, INIVE, IPA, CEF).

168. Support to agricultural production

168.1 Main objectives: Continue interventions to facilitate entry, action, and growth of agricultural producers (including the private sector). Focus will be on promoting priority crops (cereals, legumes, and traditional cash crops).

¹⁷ In this sense, decentralisation is critical for the priority areas.

168.2 Principal measures to be undertaken:

- Improve the access of small farmers to quality seeds through the following actions: (1) establish and strengthen the national seeds committee; (2) promote the participation of the private sector in the production and marketing of seeds; (3) promote the local production of seeds; improve the seed certification service.
- Participation in the integrated control of pests for priority crops.
- Improvements in post-harvest management and access to markets, to ensure that the increased production contributes to an increase in monetary income and reduction of food insecurity. Key activities include: (1) encourage farmer associations to become involved in marketing of produce; (2) disseminate information on markets; (3) disseminate techniques to increase the storage capacity for agricultural products amongst producers; (4) promote private investment in marketing systems; (5) promote the establishment of mills and other agro-industries (e.g. peanut, sunflower and sesame seed oil extraction) and (6) strengthen measures to build up emergency stocks of cereals and legumes.
- Privatisise state holdings in productive units.

169. Animal husbandry

169.1 Main objectives: Pursue measures to facilitate the activities and expansion of producers (including the private sector) in animal husbandry, given the importance of livestock as a reserve of wealth, a source of animal traction and transport to increase productivity in the sector, and as a source of diversification of diets and income.

169.2 Principal measures to be undertaken:

- Promote the rearing of small animals, especially by women, as a means of diversifying income-generation opportunities.
- Continue the family sector restocking programme with priority to cattle in the provinces of Maputo, Gaza, Inhambane, Tete, Manica and Sofala, and to goats for Cabo Delgado, Tete, Sofala, Nampula, Inhambane and Gaza.
- Rehabilitate the infrastructure for animal husbandry, with priority to drinking and dipping tanks, laboratories for analysis and diagnosis, and animal husbandry promotion posts;
- Train peasants in the use of animal traction, in coordination with the rural extension services.
- Promote the participation of producers and private businesses in the management of infrastructure and the provision of support services to animal husbandry, through out-sourcing.

170 Forestry and wildlife

170.1 Main objectives: Continue with interventions to facilitate the activities and expansion of communities, the private sector, and other producers in the forestry and wildlife sectors, paying due attention to the long-term sustainable use of natural resources.

170.2 Principal measures to be undertaken:

- Operationalise the national and local resources inventory system.
- Re-establish and rehabilitate, with the involvement of local communities and the private sector, the hunting reserves, forestry and wildlife reserves and national parks.
- Develop and adopt policies and programmes for reforestation and the restocking of wildlife, with the participation of communities and the private sector.

Other activities with a more indirect impact include: compiling and revising legislation and regulations to enable communities and the private sector to participate in the sector; develop and adopt policies and statutory instruments for the exploitation of forests and wildlife; training technicians in management, monitoring and evaluation skills at the provincial level.

171 Management of agricultural land

171.1 Main objectives: Contribute to the sustainable use of land and ensure the timely access of citizens and investors (also increasing the capacity of the family sector to consolidate and increase their agricultural activities).

171.2 Principal measures to be undertaken:

- Organise the national land register.
- Simplify the process of land adjudication.
- Strengthen and equip, with both material and personnel, the institutions responsible for managing and granting land concessions.
- Together with other institutions, inform peasants of their rights regarding land, including consultations with the communities.

172 Irrigation

172.1 Main objectives: Contribute to raising productivity and stabilising the supply of agricultural products, while mitigating any possible negative impact of the irrigation systems in terms of social and environmental sustainability.

172.2 Principal measures to be undertaken:

- Build small-scale irrigation systems and water depots with alternative technologies.
- Direct technical support to peasants for community management of irrigation schemes.

173 Micro-finance

173.1 Main objectives: Facilitate access by small rural producers to financial services.

173.2 Principal measures to be undertaken:

- Support the consolidation and creation of 30 rural micro-finance institutions. (See section on Policies to Develop Financial Markets, under Macroeconomic and Financial Policies).

174 Rural Communication

174.1 Main objectives: Expand horizontal communications in rural areas.

174.2 Principal measures to be undertaken:

- Expand the rural radio and television network to 15 more districts.

175 Institutional Development

175.1 Main objectives: To transform the Ministry of Agriculture and Rural Development into a modern agricultural management structure, focused on the formulation, regulation and implementation of sectoral policies for creating a favourable environment for development of the family sector and the consolidation of the enterprise sector. In the short-term, this institutional development will be carried out through the consolidation and improvement of existing institutions by reformulating their internal regulations, eliminating duplication, inconsistencies and ambiguities and filling gaps.

175.2 Principal measures to be undertaken:

- Administer and update key sub-sector policies (cotton, maize, cashews, etc) and regulations governing support to the productive sector.
- Develop and implement projects for capacity building in the units for policy analysis and formulation.
- Develop and implement systems for monitoring trends and evolution in the market (SIMA).

Other measures include: operationalise the task force on institutional reform; complete the analysis of MADER's functions; and develop and adopt the new organisational structure for MADER.

GOOD GOVERNANCE, LEGALITY AND JUSTICE

Introduction

- 176 The State is a fundamental actor in the quest for poverty reduction and economic and social prosperity. Thus, the State has special and inescapable responsibilities to other actors in society.
- 177 In all of its actions, the State is obliged to be effective and efficient. Only so will it be in a position to provide timely services, for which it is responsible, and economise on resources. These are essential prerequisites so the State will be a trusted partner on which other actors in society (citizens, families, economic units and other institutions) can rely, and therefore have greater access to resources for their activities.
- 178 The State must interact with other actors. Public institutions must be strengthened to be more open, closer to people and more friendly, in serving the public and their institutions. They should be capable of decentralised action on the ground. They should be strengthened to be more dynamic, flexible, capable of taking initiative, and effective and fair in dealing with other actors in society, given the challenges for fighting against poverty and promoting rapid economic growth. At the local level (principally districts and municipalities), the interaction with other actors in society should translate into deeper and more institutionalised processes and methods of participatory planning (with the involvement of the poorest strata of the population). The capacity of State bodies to take the initiative on decisions at local level is crucial to an effective fight against regional and inter-provincial imbalances, which are reflected in the existing distribution of poverty.
- 179 The State has the duty to ensure the maintenance of public order, to be fair in its actions, and promote justice between citizens and other social actors. More specifically, respect for citizens and for their property and institutions is vital to the survival of society and the expansion of economic activity and prosperity. This respect should be imposed by efficient forces responsible for maintaining public order (police forces in various special fields). At the same time, the maintenance of social stability, the punishment of crime and fraud, imposing respect for property and its disposition, inheritance rights and respect for contracts, are all key elements of an environment favourable to economic and social prosperity, of which the legal and judicial system are basic pillars. These requirements for the posture and action of the State constitute impose challenges for transformation, capacity-building and improvement of the legal and judicial system, and the forces responsible for maintaining public order. This transformation is imperative given that the justice,

court, and public order systems are seen as extremely fragile. For example, according to the *Africa Competitiveness Report 2000*, the business sector in Mozambique view this system as: non-operational, that it suffers from delays in the resolution of commercial disputes; it fails to enforce decisions that may be taken in commercial disputes; suffers from a legal code that is less than clear and susceptible to multiple interpretations, and which takes up a great deal of the time of company managers.

180 The State also has a duty to protect natural resources, exerting its power throughout the country.

181 The State has an obligation to promote and enforce the sustainable use of natural resources for the benefit of the country as a whole, to prevent its irreversible exploitation, and to encourage the cultivation of renewable resources. The State has the duty to impose respect for the rules for maintaining environmental balance in the course of developing economic activities by both private and public agents.

182 In their actions, public institutions should be transparent and act according to the law. Representatives of public institutions should behave in a manner compatible with the spirit of public service, and observe ethical standards. Workers must behave in such a way as to be above suspicion in terms of corruption. Corruption in public institutions acts as a constraint on the initiatives and development of citizens and their institutions (including companies). In other words, corruption acts as a barrier to social and economic progress, with nefarious effects on the poor. Therefore, in the fight against poverty and the promotion of economic growth, the reduction and control of the syndrome of corruption in the Administration and other public institutions is an important feature of the posture of the State in relation to the citizens and their institutions.

183 With a view to ensuring that the State meets the above expectations, the present strategy has opted for a multi-institutional programme for strengthening and improvement, rooted largely in ongoing activities.

The programme

184 The programme consists of seven components: decentralisation and de-concentration; legality, justice and public order; transformation and strengthening of market-supporting public institutions; strengthening its negotiating capacity and capacity in granting concessions; protection of frontiers and inspections at sea; rationalisation and strengthening of the Public Finance system; and the fight against corruption.

185 Decentralisation and De-concentration

185.1 Main objectives: Impart greater dynamism and capacity to Provincial and District governments for the essential interaction with other social actors in facing the challenges of combating poverty and promoting economic growth; impel action, at both local and regional levels, in combating poverty and promoting economic growth, facilitating genuine progress in terms of regional equity.

185.2 Principal measures to be undertaken:

- Adoption of the Law and complementary legislation on Local Bodies of the State, (ensuring amongst other aspects that administrative and financial decentralisation and de-concentration take place, making participatory district planning possible).
- Institutionalise and expand participatory district planning (on the basis of existing good practices); training of personnel, with priority given to participatory district planning.

Other key measures include: proceed with administrative and financial de-concentration to make possible participatory district planning; proceed with administrative and financial de-concentration to strengthen the authority and competencies of Provincial governments, including in the area of provincial planning; continue with the process of consolidating municipalities.

186 Legality, Justice and Public Order

186.1 Main objectives: Raise the capacity and efficiency of the legal system as a whole; raise the capacity and efficiency of the legal system with special reference to needs of the private sector; enforce observance of contracts; reform the criminal, procedural and penal legislation with a view to its simplification; promote greater transparency and speed in the resolution of legal cases; enhance the capacity of the police in protecting public order, preventing crime and pursuing criminals, improving respect for the integrity and property of citizens and institutions; improve the quality and efficiency of prison services.

186.2 Principal measures to be undertaken:

In the field of justice

- Devise and adopt an integrated strategic plan for the justice sector (including the Ministry of Justice, Courts and the Attorney General's Office).
- Improve the workings of the Commission for Strengthening of the Legal System (Judicial tribunal, Attorney General's Office, Ministry of the Interior and Ministry of Justice).
- Revise, as necessary, the Penal Code and reform the Penal Process Code.
- Consolidate and expand the Community Courts (responsible for deliberating on minor conflicts of a civil nature and questions arising in the context of family law).

- Establish Labour Tribunals in the cities of Maputo, Matola, Beira, Nampula and Quelimane (in 2001) and in the remaining provinces (by 2004).
- Modernise the Civil Registry and Notary services.
- Strengthen the Institute for Judicial Assistance and Support (IPAJ).

Other key actions include: operationalise the commercial dispute arbitration services; training and capacity-building of legal assistants and technicians serving citizens who are “economically needy”.

In the field of police and public order

- Identify mechanisms, clarify functions, and build the capacity of the police services.
- Develop and implement a special programme for raising the quality of the police service in criminal investigation.
- Devise and adopt a programme for equipping police stations.

Other key actions include: devise and implement a training plan for recycling of police units and command structures; adopt a programme to improve the social benefits package for the police force, with a focus on health services and housing; devise and implement operational programmes for imposing and raising the quality of order and discipline in the Police of the Republic of Mozambique (PRM); devise and implement a programme to improve planning and budgeting and budget management in the Ministry of the Interior/PRM.

In the field of prison services

- Proceed with a rigorous but rapid application of funds in the investment budget for the rehabilitation and improvement of living conditions in prison establishments (with priority given to those which are most degraded and suffer from the worst conditions in terms of hygiene and public health).
- Technical and professional training of prison staff; training for inmates.

Other key measures include: draft regulatory legislation covering procedures that deprive citizens of their liberty and apply alternative methods to the prisons in accordance with the “U.N.’s minimum rules on the Treatment of Prisoners” and the “Kampala Declaration”; create consistency between reform of the Penal Code and the introduction of alternative measures for sanctioning the deprivation of liberty; involvement of prisoners in productive activities.

187 Transformation and Strengthening of Public Institutions Dealing with the Private Sector

187.1 Main objectives: Promote the efficiency of institutions dealing with the private sector, making them more friendly and turning them into servants and facilitators for the expansion of this sector; contribute significantly to the elimination of “red tape”.

187.2 Principal measures to be undertaken:

- Transform and strengthen bodies responsible for licensing and inspection of economic activities at the central, provincial and local levels (including review of legislation, recruitment and training of new staff, and retraining of existing personnel).

Other key measures include: land concessions –see measures contained in section on agriculture; legislation and work inspection, regulating bodies – see measures in section on employment and business development and transport and communications.

188 Strengthening negotiation and supervision/inspection capacities in the granting of concessions

188.1 Main objectives: Ensure that contracts are properly negotiated, with fair benefits to the country, in the context of concessions for large-scale exploitation of natural resources; ensure the protection and maintenance of the environmental balance in granting large-scale concessions; ensure compliance with clauses agreed to in these contracts, as well as any other relevant legislation.

188.2 Principal measures to be undertaken:

- See specific measures in the section on mining.
- Develop, strengthen and consolidate the necessary technical teams in the areas of contract negotiation and granting concessions for mega-projects, to ensure compliance with existing legislation and requirements for protecting the environment; develop technical teams to carry out environmental inspections of mega-projects and other large undertakings.

189 Protection of frontiers and Maritime Inspection

189.1 Main objectives: Protection of natural resources through the control of frontiers; inspection of activities at sea to enforce contracts and regulations and prevent the depletion of resources and degradation of the environment.

189.2 Principal measures to be undertaken:

- Establish an effective system to protect and inspect maritime waters and activities.
- Establish an effective border guard system (re-equip and operationalise the border guards).

190 Rationalise and strengthen the Public Finance System

190.1 Main objectives: See section on macro-economic and financial policies.

190.2 Principal measures to be undertaken: Ibid.

191 The fight against corruption

191.1 Main objectives: To prevent the spread of corruption, to significantly reduce and control it amongst public sector workers; adopt regulatory mechanisms aimed at prevention, inspection, prosecution and sanctioning of corrupt practices.

191.2 Principal measures to be undertaken:

- Strengthen the institutional capacity of the General Inspectorate of Finances.
- Institutional strengthening of those bodies linked to the administration of justice.
- Institutional strengthening of the Administrative Tribunal.
- Institutional strengthening of the State's administrative inspection services.
- Launch anti-corruption campaigns through the media.
- Implement measures coordinated between institutions to minimise the risk of corruption along the country's borders, including international business deals.

MACRO-ECONOMIC AND FINANCIAL POLICIES

Introduction

192 Macro-economic and financial management is central to poverty reduction, given that it constitutes a crucial prerequisite for rapid growth, medium to long-term sustainability, and the creation of jobs. This part of the action plan outlines a programme which includes six main components:

- Fiscal and monetary policy
- Mobilisation of budgetary resources
- Management of public expenditure
- Development of financial markets
- International trade policy
- Management of public debt.

193 Besides the fundamental role, which they fulfil in promoting growth, many of these components also have a direct impact on the poor. For example, millions of poor families are extremely vulnerable to macro-economic instability, given that they live at the margin of subsistence and possess few means to protect themselves against

inflation or an economic recession. The poor also are affected by the tax system, the efficiency in managing public expenditure, and the structure of financial markets.

194 The problem of maintaining macro-economic stability is complicated by the fact that Mozambique faces significant internal and external imbalances, which are currently covered by extraordinary external support. The internal imbalance is evident in the difference between Government revenue and expenditure, while the external imbalance manifests itself in the enormous gap between the cost of imports and the revenue derived from exports. These dangerous and unsustainable imbalances must be gradually eliminated. To reduce the internal imbalance, the necessary measures include: (1) increase internal revenues; and (2) exercise prudent levels of budgetary expenditure. To reduce the external imbalance, the following are necessary: (1) expand and diversify export revenues; (2) promote efficient import substitution; (3) attract higher levels of direct foreign investment; and (4) provide incentives to prevent capital flight.

195 Conversely, it is worth mentioning that poverty reduction and economic growth also facilitate macroeconomic management, because as citizens and institutions (including families, companies and the State) become wealthier, the need to impose restrictive fiscal and monetary policies decreases. In this sense it is important that macroeconomic management, while maintaining due rigour, should also pursue the objective of fostering and facilitating poverty reduction and economic growth. In this context, one can justify the concern of the current strategy to develop the financial sector, with special attention to the needs of rural areas and the poorest segments of the populations, which must be included in efforts to raise the level of savings, and must benefit from financial intermediation and the availability of credit.

The Programme

196 Fiscal and Monetary policy

196.1 Main objectives: Ensure macroeconomic stability, keeping inflation in single digits, while fostering the expansion of domestic credit and maintaining a competitive exchange rate; reduce the fiscal deficit through a more vigorous mobilisation of domestic revenue.

196.2 Principal measures to be undertaken:

- Limit budgetary expenditure to the resources identified in the Medium-term Fiscal Scenario (CFMP) and financial program (PF), observing the rule of not printing money to cover budgetary deficits.
- Establish capacity for financial programming within the Ministry of Planning and Finance and the Bank of Mozambique. The objective is to develop a systematic, comprehensive and consistent model of objectives, policies and targets to be reached by macro-economic management, based on detailed research and data. The first model for financial programming will be developed by the end of 2001.

- Strengthen the existing processes of monitoring of macroeconomic performance.

197 Mobilisation of budgetary resources

197.1 Main objectives: The primary objective is to mobilise budgetary resources, which should reach 16%-17% of GDP by 2010, and around 15% by 2005. In order to achieve this, a reform of tax policy will take place with the objective of: (1) creating a more efficient, broad-based, fair, simple and predictable tax system; (2) strengthening the capacity and efficiency of tax administration.

197.2 Principal measures to be undertaken:

- Widen the tax base by strengthening administrative capacity and reforming the system for controlling exemptions and tax evasion, and for granting incentives and fiscal benefits to investment. The restructuring and strengthening of tax administration will include the possibility of creating a central revenue authority over the next 3-5 years. A plan of action for this will be developed in the course of 2001.
- Ensure greater coordination and sharing of information and data between the tax services and customs, with the introduction of computerised systems to register and control the various forms of tax.
- Carry out an analysis of the tax code to evaluate the need for revision or alteration through reforms of tax policy.
- Ensure maximum collection of budget revenues from investments in the extraction of natural resources, particularly non-renewable resources, which should not benefit from Industrial Free Zone status.

Other measures include: (1) develop an action plan for recruitment and training, in order to strengthen the capacity of tax administration; (2) reduce the maximum import duty to 25% by 2002, and evaluate the need to carry out other reforms of customs duties to create an environment that stimulates growth as the principal means for reducing poverty; (3) ensure final approval of the strategy on participation of the State in private companies, which may constitute an important source of revenue for the budget; (4) strengthen coordination with international partners to ensure that the flow of external finance remains at US\$ 600 million per annum. These finances are crucial to the success of the poverty reduction strategy and the structural adjustment of fiscal policy in the medium to long term.

198 Management of public expenditure

198.1 Main objectives: Improve the programming, execution, control and transparency of the budget process, and ensure that public expenditure is more efficient in its impact on poverty reduction and the creation of favourable conditions for economic growth. Consolidate the role of the CFMP (medium term fiscal scenario) as an effective and sustainable instrument for annual budget programming. This should be strictly linked to the PF (financial programming) and overall objectives of the PARPA, and the process of annual revisions to which the PARPA will be subjected. Monitor efforts to deconcentrate and decentralise public administration.

198.2 Principal measures to be undertaken:

- Strengthen the public accounting process. This requires: (i) finalising and implementing the new law on Financial Administration of the State and its statutory instruments, in particular the statutory instrument on public accounting; (ii) developing computerised systems to control and register expenditure, in line with the new law, allowing for a more effective and timely control of expenditures, including the principal expenditure programmes for priority sectors; (iii) changing classifications used in the budget to allow for the registration and control of expenditure at the central, provincial and sectoral level, and by main expenditure programme; (iv) improving auditing and inspection of the accounts; and (v) recruiting and training personnel. An action plan should be finalised by the end of 2001.
- Incorporate off-budget expenditure and revenue into the budgeting process. Items that are the sole responsibility of the Government will be incorporated into the budgetary process during 2002. Develop an action plan to identify the various sources of revenue and expenditure, and necessary mechanisms so that the revenues and expenditure are totally integrated into the budgetary process. For resources and expenditure controlled by the donor community, an action plan will be finalised by the end of 2001 to identify measures to be taken by the Ministry and by the donors to integrate these flows into the budgetary process.
- Begin the process of preparing and carrying out annual expenditure reviews in priority sectors, including health, education, roads, water, justice, tribunals, public safety and public administration. The reviews will identify the amounts of sectoral expenditure, their geographical aspects, and allocation by main programme, and track the flow of resources from the central level to the implementation unit. The reviews will also provide information on policies, mechanisms and instruments that can improve the efficiency and effectiveness of expenditure. Given limitations in institutional capacity, this review of public expenditure will be carried initially in one or two sectors per year.

Other key actions include: Prepare the necessary budget adjustments in support of efforts to de-concentrate and decentralise Public Administration (see section on good

governance/decentralisation and deconcentration); develop regular processes for consultation and dialogue with various actors in the budget process, with a view to improving the efficiency of the budgetary process and public expenditure.

199 Policy on the development of financial markets

199.1 Main objectives: Minimise the risk of financial crises; promote the development of financial services, especially in the rural areas and poorest regions; encourage the development of financing for micro and small enterprises; create conditions for a reduction in domestic interest rates.

199.2 Principal measures to be undertaken:

- Strengthen supervision of the financial system, including banks, non-bank financial institutions in conformity with the Basle principles. An action plan should be developed by the end of 2001 and implemented immediately thereafter.
- Review and define prudential regulations for banks, non-bank financial institutions and the insurance and pensions sector. This will involve the Bank of Mozambique and the Ministry of Planning and Finance. The review should be completed by the end of 2001 for the banking sector, and by the end of 2002 for the insurance and pensions industry.
- Carry out a study on the policy options for the development of new institutions or approaches for developing accessible and sustainable financial services for small rural producers and micro and small-scale enterprises.

Other key measures include: (1) promote a reduction in interest rates and improve the payments system and the diversification of financial products; and (2) carry out legislative reforms to lower economic risk and expand the availability of collateral as ways of bringing down interest rates. These issues, amongst others, should cover the question of improving the efficiency of tribunals in resolving commercial and contractual disputes, and the need for better supervision of the banking sector to reduce the amount of non-performing loans in the system.

200 International trade and export promotion

200.1 Main objectives: Create conditions for export sector to be an instrument for sustaining rapid and broad growth. This requires maintaining a competitive exchange rate, eliminating trade barriers, and providing more effective export promotion services, for both traditional and non-traditional exports.

200.2 Principal measures to be undertaken:

- Manage monetary policy to guarantee not only a stable inflation rate but also the maintenance of a competitive exchange rate. This will require strong management of foreign exchange reserves. A real depreciation of the metical

is critical as an incentive for exports and import substitution, and for increasing national competitiveness in a globalized world.

- Develop procedures for rapid customs clearance (for exports and imports) and VAT refunds for registered and regular exporters. These procedures should be backed by a computerised system in both Customs and Taxes to allow rigorous control of taxpayers who benefit from the fast-track procedures.

Other key measures include: (1) pursue implementation of the SADC Trade Protocol; (2) implement options for establishing an export credit system, in particular for priority exports; and (3) promote exports to the USA and the European Union under the AGOA and ACP accords, respectively.

201 Debt Management

201.1 Main objectives: Develop a medium and long-term strategy for the management of both domestic and external debt; strengthen the system for control and management of the public debt.

201.2 Principal measures to be undertaken:

- Prepare a medium and long-term strategy setting overall parameters for debt policy and post-HIPC debt sustainability.
- Prepare a medium to long-term strategy on the capacity to incur and sustain domestic debt. This study should integrate the use of public debt as an instrument for monetary management, taking into account the link between issuing debt and the need to reduce domestic interest rates to stimulate investment and growth.

Other key measures include: (1) improving the management and control of public debt. With this in mind, there is a need to review existing procedures, update the database and upgrade existing software systems. (2) Carry out an evaluation of foreign debt of the private sector, to identify corresponding risks and vulnerability to fluctuations in the exchange rate.

B. OTHER AREAS OF ACTION

202 This unit complements the previous section, which focused on fundamental areas of action. Herein, other important sectoral and multi-sectoral issues are treated, and objectives and actions are identified. It is recognised, however, that most of the actions presented in this section depend, for their maximum socio-economic benefit, on successful action in the fundamental areas described above. These other areas of action are necessarily presented in more summary form.

203 This section is divided into the following parts:

- **Employment and business development.** This section covers additional measures relating to the important role of private initiative in the basic strategy for poverty reduction through socio-economic development based on inclusive and broad-based growth. Critical complementary measures are presented for improving the environment for such initiative to flourish, to increase investment and employment.
- **Social Action.** The role of the State in promoting social justice has already been highlighted. Policies in the area of health and education are particularly important, as they represent the most fundamental social action efforts of the State. This section presents complementary measures in the area of social action.
- **Shelter.** The social and economic importance of this sector is summarised. Measures to develop the sector are presented.
- **Mines, fisheries, tourism and industry** (under four separate sub-headings). These sectoral policies in these areas are of high importance given their great potential for the expansion of investment and employment, and the consequent generation and expansion of income.
- **Transport and communications.** These are critical complementary policies in the field of infrastructure.
- **Technology and the environment** (two separate headings). These are important complements to the issue of sustainability, as dealt with in the section on fundamental areas of action.
- **Reduction of vulnerability to natural disaster.** Emphasis is placed on the vulnerability of the country, and the poor, to natural disasters, and additional measures are outlined to reduce this vulnerability.

EMPLOYMENT AND BUSINESS DEVELOPMENT

Introduction

204 The present strategy for reducing poverty and fostering economic growth is based on the assumption that private initiative by citizens, families, firms and other institutions, is the engine of development, with the State being responsible for the provision of services and infrastructure that are essential for the realisation of these initiatives. Employment derives essentially from the multiple initiatives of citizens, families, firms and other private institutions. Obviously, initiatives of public institutions also provide employment. However, activities of the private sector are increasingly the source of job creation and opportunities for employment.

205 The previous section on fundamental areas of action proposed ways to create the basic conditions for private initiative to flourish supported by essential public services. Especially important to the strategy are actions to raise human capacity in general (including human capital development), provide infrastructure and research and extension services for agriculture and rural development, and proposals for a

more effective, efficient, facilitative and service-oriented State to support initiatives of citizens and their institutions. There is a need to highlight the importance of measures to simplify procedures and regulations affecting the business sphere, to reduce the direct intervention of the State, and to improve its role as regulator. Also important are the proposals to pursue policies to maintain social, political and macro-economic stability, which are essential for establishing a conducive climate for the expansion of the private sector.

- 206 In referring to private initiative one tends to think in terms of firms. Here, the concept is used in its broadest sense to include individual producers of goods and services, families (as micro-economic units of great importance in the areas of agriculture, forestry and animal husbandry, artisans and urban informal activities), micro and small enterprises, as well as large companies.
- 207 The overall priorities set out in the present document translate into a broad and sustainable programme for job creation and entrepreneurial development (in the broader sense of private initiative). Clearly, special efforts and attention must be given to small-scale entrepreneurs, given that they are the mainstay of the entrepreneurial class, and that an inclusive approach is adopted.
- 208 The present section seeks to clarify some additional measures that can be taken which would contribute to the development of businesses and job creation.

Other measures which contribute to the promotion of employment and business development

209 Labour legislation

- 209.1 Main objectives: Update labour legislation, eliminating those aspects which unnecessarily increase labour costs and create difficulties in terms of flexibility of the labour market.
- 209.2 Principal measures to be undertaken: Carry out a review (and adopt revised versions) of the labour laws; draft additional legislation complementing the Labour Law.

210 Commercial law

- 210.1 Main objectives: To update the Commercial code and eliminate those aspects, which contribute to red tape, ensuring that it meets the needs of the present marketplace (proposed new Code to be submitted to Parliament in 2001).
- 210.2 Principal measures to be undertaken: Conduct a review (and adopt the revised version) of the Commercial Code.

211 Improve the business environment

212.1 Main objectives: To make public institutions more effective, efficient and timely through the introduction of measures to improve the business environment; improve the utility of consultations with the private sector.

212.2 Principal measures to be undertaken:

- Evaluate recommended measures to improve the business environment, which arose from consultations with the private sector (in particular the private sector conferences) and develop an appropriate implementation plan. (To be carried out by the Inter-Ministerial Commission for the Removal of Administrative Barriers).

212 Deepen the restructuring State companies

212.1 Main objectives: Increase the participation of the private sector in the business sector, including their participation in public companies involved in infrastructure activities.

212.2 Principal measures to be undertaken: Develop and adopt a strategy on public companies and other assets of the State in the business sector.

213 Small Industry Support Fund (FFPI)

209.1 Main objectives: Restructure the FFPI, and expand its activities so that it will more effectively support micro, small and medium-sized enterprises.

209.2 Principal measures to be undertaken: Conclude the diagnosis; formulate and adopt recommendations.

SOCIAL ACTION

Introduction

214 Recognition of the strategic option to privilege private enterprise and market incentives as levers of economic and social progress is inseparable from (and carried out through) the unequivocal role of the State in promoting social justice. In this sense, the State is concerned with ensuring respect for the equality of rights and opportunities for all citizens and segments of society. The State has special responsibilities to those citizens and segments of society who, for various reasons (physical, mental or because of social status) may be classified as vulnerable, given the dynamics of organisation and options for social and economic management. The

State is responsible for providing: (a) support for their participation in the normal life of society and (b) protection for those at risk of falling into destitution and delinquency.

215 Social action by the State obviously is constrained by the scarcity of resources. As previously mentioned, these restrictions will diminish in the long term as a result of rising wealth and income of society and increased efficiency in revenue collection and budgetary expenditure.

216 In the specific case of Mozambique, the State's social policy should be seen largely in terms of the subsidised provision of basic health and education services to the population.

217 Yet it is worth highlighting the fact that other specific Social Action measures are based on the need, as far as possible, to empower vulnerable individuals/groups and minimise their dependence on subsidies/charity.

218 The main target groups for Social Action are children, women, the elderly and the handicapped.

The Programme for Social Action

219 Planning and management of Social Action

219.1 Main objectives: Improve the process of identifying priorities for Women and Social Action, and the management of these programmes.

219.2 Principal measures to be undertaken: Develop and adopt a strategic plan for the Ministry of Women and Social Policy Co-ordination.

220 Defending the rights of target groups

220.1 Main objectives: Promote the defence of the rights of target groups.

220.2 Principal measures to be undertaken: Promote education, information and dissemination activities regarding rights of the Social Action target groups through the media, through written material, and other forms; promote the establishment of associations amongst vulnerable groups.

221 Employment

221.1 Main objectives: Encourage income-generating activities amongst vulnerable groups.

221.2 Principal measures to be undertaken: Integrate trained people from the vulnerable groups into food for work programmes, micro-finance activities, income generation,

employment and self-employment etc; promote the establishment of occupational centres.

222 Education and training

222.1 Main objectives: Encourage special education for handicapped children.

222.2 Principal measures to be undertaken: See section on education.

223 Social protection

223.1 Main objectives: Ensure the protection of the most needy.

223.2 Principal measures to be undertaken: Co-ordinate and operationalise the social protection network.

SHELTER

Introduction

224. Houses are a highly sought after asset by all segments of society, and meet a basic need of all citizens. The ownership of homes by citizens and families is an important potential means of accessing credit, to the extent that it can be used as collateral in negotiations with banks.

225. Development of the housing sector, and the stimulus this provides to the construction industry, has a multiplier effect on the economy, particularly through the construction materials industry, contributing to economic growth.

226. The expansion in demand for housing by families depends on its availability at accessible prices and acceptable quality. Therefore, the critical challenge in the housing sector is that of cost reduction through rising productivity and innovation.

227. Self-construction and investment in modular houses are an important way to minimise costs and make building financially viable, to make housing accessible to the poorest strata of society.

228. Concerning innovation, there are two aspects to be considered: changing materials used in conventional construction, and introducing new housing products through innovations in traditional housing methods. These steps will require technological research, and promotion of these products. It should be noted that the building of innovative houses based on traditional patterns opens a vast field for research and development, for expansion of the construction industry and the building materials industry.

229. The expansion of housing construction depends on access to land. The availability of land for building is linked to the process of parcelling out plots, and territorial/urban planning to guarantee the expansion of construction and the necessary basic infrastructure.

230. Support to housing requires adequate financing mechanisms, including the expansion of building societies.

The programme in the area of shelter

231. Foster private initiative in the expansion of housing construction

231.1 Main objectives: Create an environment that facilitates the expansion of private initiative in housing, including self-construction.

231.2 Principal measures to be undertaken: Approve statutory instruments on the use of urban land, and speed up the process of granting land for building purposes; proceed with the demarcation of plots in areas subject to territorial/urban planning in localities, towns and cities, while maintaining a reserve stock of available plots for immediate concession; ensure accessibility in terms of prices to the poorest segments of society for standardised architectural plans for self-construction and modular housing; create the necessary legislation to promote financing schemes for private home building, including building societies; expand the territorial coverage of the Housing Support Fund; finance research and development on innovative, low cost building plans, including those based on traditional patterns.

MINING

Introduction

232. The mining sector offers vast potential in contributing to rapid economic growth, given the high value-added co-efficient for this kind of activity. In addition, the sector is traditionally linked to exports. It is a sector, which, through a well-managed process of expansion, can contribute significantly to reducing the grave resource constraints that the country is facing, allowing an effective exit from dependence on grants.

233. Growth in the participation of small national producers in this sector contributes to an increase in the national product and has a significant positive impact in raising incomes amongst poor segments of the population. Activities of small producers in the mining sector nevertheless suffer from a number of efficiency constraints, and possible negative environmental impact. There is thus a need to develop training mechanisms for small producers. These should include mining techniques, processing and transporting of minerals, and protection of the environment. Also of

great importance, in the context of activities of small producers, is the question of improving access to means, in particular equipment.

234. Rapid economic growth in Mozambique also depends on the granting of concessions for the large-scale exploitation of mineral resources. This requires special attention to two aspects: (a) facilitating the entry of foreign investors, clarifying and simplifying the relevant laws and regulations, as well as engaging in risk management (above all in terms of research) to minimise risk; and (b) the need to properly conduct the negotiating process for the granting concessions, and create inspection mechanisms to ensure fair returns for the country from the growth of this sector.

235. Fair returns for the country from granting concessions for large-scale mining depend to a large extent on the following: the State's technical capacity and competence in negotiating skills for granting concession contracts (these include fiscal issues, the sharing of results, environmental issues, and mechanisms for supervision and inspection of contracts). It is normal for investors to push the State to make concessions in these areas, which may result in derisory, if not null benefits (or even negative effects) accruing to the country. Fair and acceptable contracts depend on the capacity and efficiency of the national teams for negotiation, oversight and inspection.

The programme for the mining sector

236. Stimulating small-scale mining

236.1 Main objectives: Encourage small-scale mining, organising and legalising the informal sector and giving it the means to be more efficient and sustainable.

236.2 Principal measures to be undertaken: Set up pilot training centres for operators in the provinces of Nampula, Tete and Manica.¹⁸

237. Legislation on mining

237.1 Main objectives: Based on a study of comparative law, clarify and simplify the law and regulations on mining in order to attract the private sector; clarify and detail environmental regulations for the mining sector.

237.2 Principal measures to be undertaken: Review, redraft and adopt the law on mining and the relevant regulations; draft and approve necessary missing regulations, including those dealing with environmental issues.

238. Prospecting and Cartography

¹⁸ The project includes selecting sites for the centers, recruiting and training local technicians responsible for the project; conducting a census of the operators to receive training; acquisition of equipment and machinery for training; training of operators with an emphasis on mining techniques, processing and transportation of minerals as well as preservation of the environment, and monitoring.

238.1 Main objectives: Increase competitiveness of the country in attracting private investment in mining through minimising risks associated with prospecting.

238.2 Principal measures to be undertaken: Continue with the process of drawing up inventories of mineral resources, prospecting, research into mineral resources, and mapping.

239. Capacity-building

239.1 Main objectives: Ensure an increase in benefits accruing to the country from the granting of concessions for large-scale mining, through competent negotiation of contracts and the necessary oversight and inspection.

239.2 Principal measures to be undertaken: Devise and implement projects to establish, train and operationalise national units/teams (a) to negotiate concession contracts in all their aspects, including environmental issues, and (b) oversight and inspection of contracts; devise and implement a project to establish, train and operationalise mining inspection.

FISHERIES

Introduction

240. Fisheries are an important sector in the struggle against poverty and the promotion of economic growth, particularly given the large involvement of small-scale producers. The sector has great potential to expand in both the domestic and foreign markets, with the participation of both the small and large-scale sub-sectors.

241. Sustainable development of the fishing sector depends largely on the protection of the country's territorial waters, and the inspection of activities at sea. The current situation of weak control of the country's territorial waters, coupled with the almost non-existence of inspection of activities at sea, is unacceptable.

242. Expansion of the fishing sector is subject to environmental constraints. Therein lies the vital importance of structural change in the sector, moving to aquaculture as a way of ensuring the sustainability of long-term growth. In the short to medium-term, environmental considerations require strict control of the process of granting licenses.

243. Development of the fisheries sector also depends on raising the standard of knowledge and the capacity of the workforce in both the small and large-scale sub-sectors.

244. Fishing activity is currently concentrated in 3 provinces, as can be seen in terms of output: Nampula 40%, Sofala 16% and Zambezia 15.7%.

245. Small-scale traditional fishermen have special needs in terms of support for marketing their surpluses, which would lead to increased productivity and quality, and consequently, incomes.

The Programme in the fisheries sector

245.1 Support to traditional fishing

245.2 Main objectives: Improve use of marketable surplus from traditional fishing; raise the quantity and quality of production and income derived from traditional fishing.

246.2 Principal measures to be undertaken: Build and operationalise infrastructure to support traditional fishing in 4/5 fishing centres to be established in 3/4 provinces to be identified: (a) carry out studies/projects for these centres; (b) mobilise resources and begin to implement the project.

246. Support to Large-scale national producers

247.1 Main objectives: Increase the participation of national operators in large-scale fishing.

247.2 Principal measures to be undertaken: Transfer to private Mozambican citizens the State's stake in fishing companies; pursue an analysis and take consequent measures on the issue of using of foreign fishing fleets.

247. Support to aquaculture

248.1 Main objectives: Bring about structural reform of the sector, stimulating aquaculture involving national operators and other large-scale operators.

248.2 Principal measures to be undertaken: Promote private investment to develop aquaculture; conceive a programme for developing aquaculture, including the mobilisation of financing from the local private sector, and initiate its implementation: (a) carry out studies and projects; and (b) mobilise resources and begin implementation of the project.

248. Training of the labour force

249.1 Main objectives: To increase the supply of qualified labour in the sector.

249.2 Principal measures to be undertaken: Rehabilitate and modernise the Fisheries School in Matola: (a) develop a project (b) mobilise the necessary resources and begin

implementation; develop projects for opening training centres in the areas with the greatest concentration of fishing activities.

250. Protection of maritime borders and inspection of activities at sea

250.1 Main objectives: See section on good governance

250.2 Principal measures to be undertaken: Ibid.

TOURISM

Introduction

251. The growth in demand for locally-produced goods and services is an important factor in raising incomes of local producers, as well as for the expansion and improved efficiency of their productive activities. The tourism sector has the potential to contribute to this increase in demand, covering also small producers and communities. The sector therefore contributes to wider employment opportunities.

252. International tourism has received most attention, probably because it earns foreign exchange. However, it should be underscored that domestic tourism is equally important and also plays a role in expanding the demand for local goods and services. While domestic tourists as individuals have low incomes, their expenditure taken as a whole and their potentially high numbers may come to surpass that of foreign tourists. At the same time, in the short to medium term, domestic tourists may be less demanding in terms of infrastructure requirements, and are likely to demand a larger range of locally produced goods and services.

The programme

253. Strategy and Action Plan for the Development of the Tourism Sector

253.1 Main objectives: Strengthen the sector's policy and strategy and adopt a plan of action.

253.2 Principal measures to be undertaken: Revise the sector's policy and strategy and prepare a plan of action for the sector.

254 Promotion of tourism

254.1 Main objectives: To advertise domestically the opportunities for opening new businesses in this sector; to systematically promote local tourist attractions to all segments of potential tourists with a view to expanding both domestic and foreign tourism.

254.2 Principal measures to be undertaken: Set up and operationalise Local Tourism Committees, covering in the first phase the provinces of Cabo Delgado, Zambezia, Sofala, Inhambane, Gaza and Maputo.

255 Facilitate tourist access to the country

251.1 Main objectives: To facilitate the entry and departure of foreign tourists.

251.2 Principal measures to be undertaken: Establish appropriate regulations to facilitate the issuing of visas to tourists, and ensure that the changes are implemented.

256 Professional training

256.1 Main objectives: To promote equitable development of the tourist industry, ensuring opportunities for the training of workers in regions outside the capital city.

256.2 Principal measures to be undertaken: Set up Hotel Training School in Pemba.

MANUFACTURING INDUSTRY

257 The Manufacturing industry is an important sector in the strategy. From the point of view of priorities, the most important activities are in agro-industry and labour-intensive export industries (see sections on Agriculture and Rural Development, Infrastructure and Macroeconomic and Financial Policies/Foreign Trade and Export Promotion). The promotion of agro-industry is an enabling factor for agriculture and rural development and the growth of employment. It is a key element in the following ways: it expands the market for agricultural products, contributing to the expansion of agricultural investment and employment; it is a nascent sector, as a result of structural changes due to technological developments and rising productivity in agriculture, which can soak up surplus labour from agriculture; agro-industries, in themselves, can create many rural and urban jobs. Manufacturing industries geared to export markets are also levers for job creation, through their exploitation of foreign markets using labour-intensive technologies.

258 The development of manufacturing industry, and particularly the priority sub-sectors, depends on the expansion of private initiative and investment, including micro, small and medium enterprises. As already mentioned, the State has an important role in creating human capital, providing basic infrastructure, and establishing a propitious climate for private investors, fundamentally through adequate macroeconomic and financial policies. One area of emphasis is the effort needed to ensure the provision of adequate financial services to meet the needs of small producers. Other important measures involve simplification of legislation and administrative procedures (as relevant to the business world), as well the need for public institutions and their workers to respect these measures and provide services

to facilitate private initiative and investment. (See sections on the fundamental areas of action, and the sections on employment and enterprise development and on transport and communications in this unit.)

TRANSPORT AND COMMUNICATIONS

Introduction

259 The transport and communications sectors provide essential infrastructures and activities contributing to poverty reduction and economic growth. The efficient and timely circulation of information and goods and services is a factor, which favours expansion and increasing dynamism of markets. This circulation and expansion affects both the domestic market (between rural and urban areas, intra and inter-regional) and the international market.

260 The roads sector was dealt in the section on infrastructure, in the unit on fundamental areas of action. The proposed programme for the remaining elements of the sector deals with restructuring by opening the sector to private enterprise in the provision of services, and strengthening institutions to foster competition in the marketplace.

The Programme

261 Coastal shipping

261.1 Main objectives: Complement the road transport services and the roads programme with a competitive coastal shipping service connecting main regions of the country.

261.2 Principal measures to be undertaken: Finalise and adopt the package to liberalise the entry of private operators in the coastal shipping sector; promote private investment in the sector; rehabilitate at least three tertiary level ports.

262 Telecommunications

262.2 Main objectives: Encourage the development of a dynamic, efficient and competitive telecommunications sector, ensuring accessible services to companies and citizens.

262.3 Principal measures to be undertaken: Restructure Telecommunications of Mozambique. (a) Turn it into a public limited company; (b) open the sector to private capital. Liberalise the operation of cell phones and grant licenses to new operators; liberalise internet communications and direct access to international voice phone service.

263 Postal services

263.2 Main objectives: Ensure the provision of postal services to rural areas.

259.2. Principal measures to be undertaken: Restructure the postal services. (a) Develop a project; (b) mobilise the necessary means and initiate implementation.

264 Railways

264.1 Main objectives: Improve access from the interior of Sofala and Tete provinces to the port of Beira.

264.2 Principal measures to be undertaken: Rehabilitate the Sena railway line.

265 Institutional development

265.1 Main objectives: Facilitate participation of the private sector and encourage competition in the marketplace.

265.2 Principal measures to be undertaken: Restructure the Regulating Authority for the Communications Sector; establish the Regulating Authority for Ports and Railways; establish the National Civil Aviation Institute.

TECHNOLOGY

Introduction

266 The entire strategy for poverty reduction and economic growth (particularly the latter) is based on the assumption of a continual rise in efficiency/productivity of work processes. This, in turn, depends critically on the employment of specific technologies and adaptation and innovation over the long run. Technology involves know-how, the capacity to organise and put into operation work processes, specific techniques, material means of production, and the circulation of relevant information. The employment, adaptation, innovation and growth of technologies depends on formal and informal learning, on the job training, and research and development, as well as diffusion of the same throughout the economy and society.

267 The present strategy contains important elements that can contribute to the necessary technological development. It is worth highlighting the following: research and extension activities for agriculture and rural development, fisheries, mining, and housing, that involve millions of small producers; business development measures to support micro, small-scale and medium size enterprises; measures in the area of infrastructure, particularly in energy and communications; and measures relating to technical and higher education. It should also be noted that a key element

in the introduction and expansion of new technologies is the stimulus provided by direct foreign investment, an issue dealt with in the sections on macroeconomic policies.

Programme of Complementary Measures

268 Information technology

268.1 Main objectives: To expand access to computers and the internet for the rural population; expand knowledge of computers through educational systems.

268.2 Principal measures to be undertaken: Install computer centres in rural areas; install computer laboratories in secondary and technical schools and universities.

THE ENVIRONMENT

Introduction

269 Poverty reduction and rapid growth must be pursued on a sustainable long-term basis. This requires the development of activities contributing to the rational use of resources and the maintenance of environment balance. Proposed measures for the environment seek to promote the ever-wider participation of various sectors of society, in particular local communities, public bodies and the private sector, in matters of environmental protection and management.

270 Important measures in the field of the environment are considered in other sections of the strategy. Worthy of note are the measures discussed in the sections on institutional capacity-building for good governance and mining, as well as in agriculture and rural development. Here, other measures in the field of the environment are presented.

The programme

271 Improvement of regulations

271.1 Main objectives: Create the necessary regulatory framework for the environmental institutions to operate.

271.2 Principal measures to be undertaken: Adopt the Regulation for the National Council on Sustainable Development; draft and adopt regulations on environmental standards, CFCs and marine pollution; draft and adopt legislation on (a) territorial planning and zoning and (b) environmental crimes.

272 Capacity-building in environmental management at local level

272.1 Main objectives: To ensure the active participation of communities and local bodies of public administration and municipalities in the management of natural resources.

272.2 Principal measures to be undertaken: Carry out capacity-building programmes for communities in natural resource management, with priority given to rural areas at greatest risk from environmental degradation; carry out programmes of capacity-building for municipal bodies and local state administration in the management of the urban environment.

273 Environmental Protection

273.1 Main objectives: Improve and expand environmental protection measures in key areas.

273.2 Principal measures to be undertaken: Develop a programme to control and combat uncontrolled bush fires and deforestation; develop a strategy for waste management.

274 Environmental inspection

274.1 Main objectives: Carry out environmental inspections; ensure compliance with environmental regulations.

274.2 Principal measures to be undertaken: Train environmental inspectors and agents.
(a) Develop a capacity-building programme; (b) mobilise resources and initiate programme.

275 Territorial planning

275.1 Main objectives: To promote planned land occupation, mitigating associated risks.

275.2 Principal measures to be undertaken: Develop territorial plans (regional, urban and the development of rural settlements).

REDUCING VULNERABILITY TO NATURAL DISASTERS

276 The country continues to be vulnerable to shocks arising from natural disasters. This vulnerability is a fact, which should not be overlooked. The events of 2000, which principally affected the Centre and South of the country, and their social and economic consequences,¹⁹ and the most recent events in the Centre and North, with consequences yet to be evaluated, are clear proof of this fact. Natural disasters are a

¹⁹ See section on macroeconomic context/Part III

risk factor, which affects the pace of economic growth, and destroy assets of the poorest segments of the population in affected areas, reducing them to a state of dependency, at least temporarily, on donations. In effect, natural disasters seriously affect the living conditions of affected populations, and constitute an obstacle to a definitive break with certain degrees and patterns of poverty. Therefore, measures aimed at managing this risk are of the utmost importance.

277 This section presents measures additional to those contained in sections on Infrastructure/water, and on the environment.

278 Natural disaster management

278.1 Main objectives: Strengthen the national capacity to respond to natural disasters; raise the standard of the national early warning system.

278.2 Principal measures to be undertaken:

- Promote and co-ordinate the establishment of a contingency plan for natural disasters.
- Strengthen the capacity of the National Meteorological Institute in terms of predicting extraordinary weather patterns: (a) develop a project; and (b) mobilise means and begin implementation of project.

