MOZAMBIQUE COUNTRY PROFILE
LAWS, POLICY, AND REGULATIONS AFFECTING THE WATER-ENERGY-FOOD NEXUS
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1 SUMMARY

1.1 Current Political and Socio-economic Conditions

- Though Mozambique’s real GDP growth fluctuated substantially in recent years, it tended to decrease through 2001 - 2020 period ending at -0.5 percent in 2020.

- It has abundant natural resources which are in an early phase of exploration.

- Agriculture offers great potential as Mozambique has excellent agro-climatic conditions and only 15 percent of arable land is currently utilized.

- Limited access to finance is a recognized constraint in Mozambique. Most of the domestic capital comes from bank lending; however, it is underutilized due to high interest rates, high collateral requirements, and poor knowledge of the real operating environment for businesses in Mozambique.

- Other sources of finance (such as stock exchange, corporate debt financing, asset capital, invoice discounting) are also not well developed. This leaves many companies, particularly small- and medium-sized enterprises (SMEs) constrained by a lack of start-up, working and investment capital. The agriculture sector thus suffers considerably. The share of lending to agriculture has fallen from 6 percent in 2010 to 3 percent of total credit in 2015.

- Private equity offers benefits to Mozambique. It fills a financing gap which severely constrains local companies and brings expertise and value addition to businesses. Mozambique can benefit from private equity.

1.2 Priorities and Resources for Innovators in the Water-Energy-Food (WEF) Nexus

- Agribusiness as a sector has generally been constrained by underinvestment, resulting in low productivity and a lack of infrastructure which hinders access to markets.

- The sector has great potential due to its agro-climatic conditions, the current low utilization of arable land, and its advantageous location that is conducive to exports to South Africa, Asian and Middle Eastern markets.

- Agro-processing, in particular, offers a key opportunity due to many value chains having limited domestic value addition. As the largest contributing sector to GDP and employment, investing in agribusiness offers great opportunities to contribute to economic and social development.

- The Government’s Agricultural Strategic Development Plan (PEDSA) 2011-2019 identifies 15 strategic value chains, the first six of which are priorities. The value chains are horticulture, rice, beans, cassava, chicken, red meat, maize, banana, sugar, sesame, potato, cashew nuts, cotton, soya, and wheat.
2 MACRO-ECONOMIC ENVIRONMENT

2.1 Gross Domestic Product (GDP)

- Mozambique has experienced a volatile GDP growth between 1990 and 2020, with macroeconomic stability and rapid economic growth followed by negative growth rates and political instability (Figure 2).

- In 2020, Mozambique experienced its first economic contraction in almost three decades as external demand for Mozambican exports fell. COVID-19 lockdown measures disrupted supply chains and depressed domestic demand for goods and services, and liquified natural gas (LNG) investments were delayed.

- Real GDP contracted by 1.2 percent in 2020, reflecting lower output in all sectors except agriculture and delays in LNG investments.

- The economy was expected to grow at 2.3 percent in 2021 as the vaccination rate increase and economic activity returns to normal.

- However, substantial downside risks remain, including further waves of COVID infections and a deterioration in the security situation in the North, which may increase public spending pressures.

- Continuous catastrophic events (floods, tornados, cyclones, political instability) experienced by Mozambique has however negatively impacted investor confidence.

2.2 Labor Force and Unemployment

- The unemployment rate for Mozambique is outlined in Figure 3 and depicts an increasing trend over the past three decades. In 1991, for example, the unemployment rate was 2.59 percent, and this increased to 3.39 percent in 2020.

- Agriculture is the main contributor to the economy and that has been evident in the high contribution of agriculture to GDP (on average 26 percent) and employment (on average 70 percent).

- However, it should be noted that the employment rate in Mozambique’s agriculture sector has been consistently declining from 84.4 percent in 1991 to 70 percent in 2019.

- From a legislative and regulatory perspective, Mozambique contains three ingredients that restrict the labor environment, which are not attractive to new job creation:
  - Very restrictive labor regulations, with many specific items, depending on the industry and size of employer, the nature of the work performed, and the salary scale of the worker
  - Excessively dispersed legislation, with many specific items depending on the industry and size of employer, the nature of the work performed, and the location of the work position
  - An overload of regulatory obligations, with different sets of registrations, permits, approvals, again depending on the industry and size of the employer, the nature of the work performed, and the location of the work position.
2.3 Doing Business in Mozambique

- As of 2020, Mozambique scored 55 in the World Bank Ease of Doing Business Index on a scale of 0 (lowest performance) to 100 (top performance) (See Figure 1) with a global ranking of 138th and a regional ranking of 20th out of 48 in Sub-Saharan Africa.

- Out of 100, Mozambique scored 25 points on Obtaining Credit for businesses, ranking 165th, scored 32 points on Protecting Minority Investments ranking 147th and scored 39.8 on Enforcing contracts with a ranking of 168th. In all three indicators, Mozambique was the lowest compared to all Southern African countries and the average score for the region.

![Mozambique's Doing Business Ranking (2020)](image)

- On the other hand, Mozambique scored 73.2 points on Dealing with Construction permits, ranked at 61st, which is higher than the Sub-Saharan Africa regional average (58.5). Mozambique has improved internal processes with the Department of Construction and Urbanization creating easier processes for construction permits.

- Further, Mozambique scored 73.8 points on Trading across borders, which is higher than the Sub-Saharan Africa regional average (53.6) and scored 71.7 points on Getting electricity. Getting electricity in Mozambique is now easier; the government has shortened the time to get a connection for electricity by streamlining procedures through the utility instead of using different agencies. The security deposit for large commercial clients has also been eliminated.

- Recently, Mozambique made regulation of ongoing business operations easier in a few areas. Those operations include business licensing, which became easier in some sectors by allowing for a simple notification of activity (this applies to retail shops, for example); electricity access, by reducing the time and cost to get an electricity connection; and tax payment, reducing the mandatory carry-forward period before taxpayers can request a value added tax cash refund to four months (from 12 months).  

- The government also approved major legal reforms that are expected to improve the regulatory framework for business operations considerably, including the partial review of the Commercial Code, a new Property Registration Code, the Secured Transactions and Collateral Registry Law and Regulations, and the Insolvency Administrators Statutes.
However, the reforms that have been undertaken often have not resulted in substantive changes for businesses because they consistently lack implementation of legislation.

Mozambique also performs poorly in all measures of governance and corruption. In Mo Ibrahim’s Index of African Governance, it is 25 out of 54 economies, with the overall governance trend also showing an increasing pace of decline.\(^3\)

Mozambique has become notably more corrupt in recent years, and corruption was chosen as the biggest obstacle for firms in the 2018 Enterprise Survey. It was also the second-most-problematic factor with regards to doing business in the country, according to the 2019 Global Competitiveness Report.

According to the Corruption Perception Index published by Transparency International, Mozambique’s score fell from 31 in 2015, to 27 in 2016, to 25 in 2017, which is lower than the regional average for Sub-Saharan African economies (32.3). In terms of ranking, Mozambique is 158 out of 180 economies.

In particular, the Mozambican customs administration presents businesses with a high risk of corruption. According to the Global Enabling Trade Report 2016, corruption is more pervasive when dealing with imports than with exports, owing to rent seeking, NTBs, and burdensome import procedures. Complaints regarding the tariff classification of goods are handled by the taxation council, which reports to the tax authority.\(^4\)

The average lending interest rate in Mozambique has gone through fluctuations decreasing over the years of analysis. It started at a high of 30 percent in 1997 and by 2000, it reached 19 percent, then escalated again to 27 percent in 2002. From thereon, it decreased consistently to 15 percent in 2015.

The Central Bank of Mozambique kept the interest rates at 13.25 percent in November 2021 intending to combat the rising prices of food and fuel.

The value of exports as a proportion of GDP has been increasing consistently from 1991 to 2019, and slightly decreased in 2020. In 2020, Mozambique and neighboring trading countries imposed travel restrictions because of the global COVID-19 pandemic which affected exports.

The exports in Mozambique are mostly driven by aluminum, electricity, tobacco, natural gas, sugar, and prawns. The main exporting countries for Mozambique are the Netherlands, South Africa, Portugal, Spain, and China.

The imports in Mozambique show a fluctuation in the period of the analysis. The value of imports as a proportion of GDP started at 39 percent in 1992 and more than doubled in 2019 (to 82 percent), but decreased again in 2020 to 75 percent.

The imports in Mozambique include mostly machinery and equipment, vehicles, fuel, chemicals, metal products and foodstuffs. The importing partners with Mozambique are South Africa, the Netherlands, Japan, China, and Portugal.

3 COVID-19 MITIGATION MEASURES AND RESPONSE
The COVID-19 pandemic has added to longstanding existing challenges in Mozambique, which have threatened the country’s most vulnerable people. In addition, the northern and central parts of the country have recently experienced flooding caused by excessive rainfall. In the south, rainfall deficits have resulted in a third consecutive poor agricultural season impacting on economic and social aspects.\

The lockdown restrictions imposed due to the pandemic caused a major disruption in the supply chains of imports of both investments and consumption goods given the high reliance on South Africa for manufactured goods and agricultural produce. The agriculture sector was the most affected given the country’s strong reliance on imports such as fertilizer and other agricultural inputs.

The restriction in cross-border movements also hindered the movement of goods imported from neighboring countries (mainly South Africa) causing a shortage of food and other basic consumer goods.

Most of the population in rural areas of Mozambique have low standards of living and are extremely vulnerable to changes in weather patterns, natural disasters, ill-health of household members, and macroeconomic shocks. The COVID-19 pandemic had a major impact on the rural population in terms of food insecurity through its impact on ill-health, inflation due to reduced food and producer goods, limited availability of basic consumer goods, and remittances of family members living and working in urban areas.

4 TAXATION STRUCTURE

All income derived from Mozambique is subject to tax in Mozambique. The categories of tax in Mozambique are detailed below.

- **Value-added tax (VAT)** - tax chargeable on the sale of most goods and services as well as on imports. The rate of VAT is charged at 17 percent and is usually recoverable by corporate entities, except for those engaged in special business activities (e.g., financial and insurance operations, leasing [exemption with restrictions], sale of immovable property, some exempt activities).

- **Customs duties** - the rate for custom duty ranges from 0 to 20 percent and is usually charged on imported goods into Mozambique. Since Mozambique is part of the Southern African Development Community (SADC) the country is exempted from paying customs duties on goods produced within the SADC region. However, to benefit from the exemption, Mozambique must have proof of the origin (certificate of origin) of the goods they are importing.

- **Excise taxes** - is a tax levied on certain goods manufactured locally or imported, which are identified in a specific table that is an integral part of the Excise Duty Act and indicates the applicable rates. These goods include tobacco, beer and other alcoholic beverages, vehicles, cosmetics, clothes, aeroplanes, boats, etc.

- **Property transfer taxes (SISA)** - tax charged on real estate transfer (excluding land) owned by the state. The property rate is charged at 2 percent of the selling price of the property. When the beneficiaries live in a country with a privileged tax regime, the applicable rate is 10 percent.
- **Stamp duties and service charges** - Various documents require the payment of stamp duties. Service charges are payable for the performance of certain services for official purposes, such as those rendered by public notaries. The service charge ranges from 0.03 percent to 50 percent on the amount of the transaction supported by the document to be stamped.

- **Payroll taxes** - All employees employed by companies in Mozambique are subjected to monthly withholding as per the tax rates that are established in a specific schedule approved by law, depending on the gross monthly amounts received and the number of dependents of the taxpayer. The employer withholds tax as obligated by law due by the employees. The tax ranges from 0 percent to 32 percent.

- **Social security contributions** - These are contributions are payable by employers and employees on monthly remuneration. The aggregate rate of contribution is 7 percent, with 4 percent paid by the employer and the remaining 3 percent by the employee.

- **Municipality taxes** - For corporate purposes, the following municipality taxes should be considered:
  - **Municipality tax on real estate** - This is a tax levied on the value of immovable assets situated within the municipality and owned or possessed by corporate entities. These taxes range from 0.4 percent (for housing purposes) to 0.7 percent (for office purposes or mixed activities) of the building value, depending on the municipality.
  - **Municipality tax on economic activities** - A tax levied on commercial or industrial activities carried out within municipal territory.
  - **Municipal vehicles tax** - This tax is levied on the use of specific vehicles (e.g. light and heavy vehicles less than 25 years old, motorcycles less than 15 years old, aeroplanes, and boats for private use). This tax is paid by the owners of the vehicle who are residents of a municipality, regardless of the place of registration of the vehicle owned.

## 5 SMES AND ENTREPRENEURSHIP

- Micro, Small and Medium Enterprises (MSMEs) are recognized as an engine for growth in Mozambique, contributing to 24 percent of the national income and contributing to employment (employing close to 70 percent of the working population).

- Another study stated that 96 percent of the registered SMEs are run by a single person without help from family, while 4 percent of SME’s are hiring workers outside the family.

- One of the biggest challenges faced by SMEs is the lack of access to finance. As such, financial constraints hinder the success of SMEs in Mozambique causing them to collapse within the first year of start-up due to lack of finances to run the businesses. Only 5 percent of SMEs are financed through banking institutions, meaning that most SMEs use other means to finance their businesses.

- The other challenges faced by SMEs in Mozambique include among others; the lack of access to markets, a tight and rigid tax regime, poor infrastructure, lack of management competence, and low productivity.
6 POLICIES AND TRENDS IN THE WATER-ENERGY-FOOD NEXUS

6.1 Agricultural Context

- The agricultural sector in Mozambique is the main source of income for 70 percent of the population (of which 60 percent is women). It is considered the most important economic sector due to its contribution to GDP.

- Agriculture contributes 26 percent to GDP and represents 20 percent of total exports. However, Mozambique is highly susceptible to weather variability and climate hazards such as droughts, floods and cyclones, and climate change, which further affects agriculture.

- Smallholder farmers constitute 98 percent of all farmers with an average land area of 1.1 ha and less than 20 percent of agriculture produce is marketed. Smallholders mostly use traditional farming methods, with low-yield seed varieties, manual cultivation techniques and little use of agrochemicals.

- Roughly 80 percent of smallholder farmers in Mozambique grow maize and cassava on a subsistence scale, and more recently, cotton, cashew nuts and sugar. The commercial farming sector is dominated by large farms producing sugar, soybeans, bananas, rice, vegetables, nuts, cotton, tobacco and more recently macadamia nuts.

- Cassava is grown in northern Mozambique (accounts for around 85 percent of the total cassava production, with prevalence in the provinces of Nampula and Zambezia) and along the South Coast.

- Maize production is concentrated in the central and northern regions (surplus areas), while southern Mozambique (except Gaza province) is the maize deficit area and net importer from South Africa.

- Cassava is drought tolerant, known for its ability to produce reasonable yields under fierce conditions (acidic and infertile soils) and is an important food security crop.

- The central provinces of Nampula and Zambezia jointly contribute 45 percent to agriculture GDP, which is the highest contribution.

- The main export crops are tobacco and sugar; the main import crops are wheat, maize, and soybean (processed).

- Livestock production may be small scale, but it plays a crucial role in the livelihoods, food security and nutrition in Mozambique. Livestock types include cattle, goats, and poultry. However, the northern parts of Mozambique are challenged by animal disease incidences like Animal Trypanosomiasis (AAT). In addition, the fisheries sub-sector plays a critical role in Mozambique’s economy supporting the livelihoods of about 380 000 small-scale fisheries.

- Mozambique has a wide set of policies targeting the agricultural sector. In 2010, the Mozambican government introduced production subsidies consisting of a 10 percent reduction of electricity price per kilowatt-hour targeting farmers that use electricity for food production. Also, the government introduced credit subsidies of USD 25 million with low-interest loans to smallholder farmers to support cereal production growth during the planting
season. A two-year Agricultural Input Subsidy Program was introduced in 2009 where farmers were expected to contribute 30 percent of the cost of inputs.

6.2 Water and Energy Use in Agriculture

- Mozambique’s diverse soils and climatic conditions offer a wide range of production opportunities. Forty-five percent of Mozambique’s total land area is suitable for agriculture, but only 11 percent, around 4 million hectares, is estimated to be cultivated.

- Mozambique has abundant water resources, with 3 rivers running through the country and two main lakes (Lake Nyasa and Lake Chiura). There is high potential for hydropower, especially in the Zambezi River (the fourth largest river in Africa). The river basins in Mozambique drain to the Indian Ocean and most of them are sub-basins of transboundary river basins.

- The main water resource used in Mozambique is surface water. On average the country has an annual runoff of approximately 216,000 million cubic meters ($M^3$).\(^{13}\)

- Agriculture has the highest water demand of all sectors, with 73 percent of the total water withdrawals in 2015 going to irrigation, forestry, and livestock.\(^{14}\)

- The use of irrigation systems, inputs (fertilizers, pesticides, and so on), and mechanized technologies for land preparation or for post-harvest activities is negligible. Mozambique does not enjoy the availability of developed artificial irrigation channels and networks; agriculture in Mozambique mainly depends on rainfall for irrigation. As a result, when rains fail, so does agricultural production.

- Mozambique also has abundant solar energy, with average solar radiation equal to 5.7kWh/m\(^2\) per day. However, households in Mozambique still rely on traditional methods (biomass fuels such as wood and charcoal) for energy. Given the high radiation experienced by Mozambique through solar, there is huge potential for solar PV water pumping for agricultural purposes in Mozambique given that the country has a very low electricity access rate compared to other countries in Sub-Saharan Africa.\(^{15}\)

- The installation of electricity for agriculture is unaffordable for farmers due to high and unaffordable connection taxes to the electricity grid. Hence, the need for the integration of solar energy in the agricultural sector is crucial with the comparatively low progress on mini-hydro and wind energy.

- Plans are however underway to expand electricity generation capacity by 2022 leading to 2030.

- According to several studies, hydropower is the largest source of electricity in Mozambique produced by six main power plants (Cahora Bassa, Mavuzi, Chicamba, Corumana, Cuamba and Lichinga)\(^{16}\). Despite the high level of electricity produced from hydro in Mozambique, there is potential for 12,500 MW hydropower.\(^{17}\)

7 AGRICULTURE INVESTMENT POTENTIAL
• A previously noted, many SMEs in Mozambique suffer from a lack of access to finance. This constrains private sector growth having knock on effects on economic development and employment generation.

• Private equity investment is a financing vehicle that could help alleviate the financing gap: it offers a more flexible alternative to bank lending. Equity investment has broadened in recent years with the rise of impact investing which seeks to create social as well as financial returns and often uses a wider range of financial instruments.

• Equity finance is still in its infancy in Mozambique yet is growing due to the forthcoming development of large natural gas projects in the Rovuma Basin. Private equity firms have therefore located to Mozambique targeting areas such as real estate, transport, infrastructure, financial services, and now also agribusiness.

• Apart from foreign direct investment in mega-projects, investments in Mozambique have historically been through the development sector (overseas development assistance and investments by development finance institutions). In 2015, Mozambique recorded 42 impact investments deals, the third highest number of deals in the Southern Africa region.

• A boom in large foreign investments in the energy and natural resources sectors has also bolstered Mozambique’s economy. The government aims to ensure that all people have access to affordable, reliable, sustainable, and modern energy by 2030 (UN’s Sustainable Development Goal 7). The renewed investor interest in the energy sector has been strongly perpetuated by favorable long-term prospects within global bioenergy markets.

• The country’s president in 2020 launched the SUSTANTA initiative, a project supported by the World Bank to integrate rural households into sustainable agriculture and forest-based value chains. The World Bank committed $60 million to support farmers with training and financing.

7.1 Agri-businesses and Agro-processing
• The agro-industrial sector is an important part of the agricultural sector as a whole. Food industries, beverages, and tobacco account for about 70 percent of the manufacturing sector in Mozambique.

• Yet in Mozambique, processing activities are far behind opportunities offered by the potential diversified production.

• It is well known that the history of agro-industry in Mozambique was mainly based on urban areas—far from the sources of raw material.

• This situation has aggravated the costs of raw material, which normally count for between 60 percent and 80 percent of the total costs of agricultural processing activities. This was the reason why after Mozambican independence, the processing industry began to struggle, despite its diversification, as it was unable to cope with the increasing costs of transportation. This has impacted the rice and oilseed industry (particularly in the coconut and copra subsector in Zambezia, Inhambane, and with Mafurra in Inhambane) along with the cashew and cotton industries.

• So, instead of a vibrant private sector, considered a prerequisite for fostering economic growth and social development for poverty reduction, Mozambique has ended up with a very
poor agribusiness environment. As a result, it is still difficult to invest in agriculture and agribusiness, develop SMEs, and consequently, create new jobs.

- Apart from the provincial capitals and some other main cities, formal processing businesses are almost non-existent. Where they do exist, activities are informal.

- Economic activity, particularly within agriculture, is constrained by low capacity in operating on market terms and land ownership aspects; laws also prevent land from being used as collateral for bank loans.

- Access to finance is further limited by the fact that banks are making an almost risk-free return on investments by placing their funds in treasury bills, as opposed to lending to individuals and businesses.

- The level of agro-processing industry in Mozambique is primarily at the first stage of processing primary agricultural products, such as cashew, sisal, and even copra for factories abroad. Mainly low value-adding activities are undertaken, such as:
  - washing and packaging,
  - removing fibers from the fiber or seed mix in a cotton gin;
  - curing and baling tobacco leaves or processing one stage further to supply cigarette makers.

- The agricultural products processed for the domestic market—except for oilseeds, maize, and wheat in certain cases—are processed on a very small scale and most of the time lack quality and the right packaging to access more demanding markets.

- The percentage of the agricultural production that is processed is very limited because the number of processors is very small and those who do exist usually do not have large scale operations—so, niche processing opportunities are not taken to scale.

- Even in the domestic markets, except for honey, it is very rare to see national products in outlets of main supermarkets in urban areas, which demand higher quality and better presentation to justify import substitution.

- To aid development in the country, the government has adopted several strategic programs to increase agricultural productivity, agro-processing, and marketing activities. These include among others the Action Plan for Food Production (PAPA), which addresses food prices and focuses on the country’s food production potential; and the Strategic Plan for Agricultural Development (PEDSA), which focuses on agricultural primary production to contribute to food security and increase market-oriented agricultural production in a fast, competitive, and sustainable manner.

8 GENDER AND SOCIAL INCLUSION IN THE WEF NEXUS

- Mozambique has a robust legal and policy framework for the promotion of gender equality and women empowerment, particularly compared to other SADC countries.

- However, women in Mozambique are positioned below men, in terms of rights, resources, and opportunities; and their gendered responsibilities as the primary caretakers for children
and of the household translate into daily, often unpaid, responsibilities, such as the collection of firewood or preparation of food for household members.\textsuperscript{21}

- Mozambique is ranked 32 out of 156 countries on the Global Gender Gap Index (2021) with a Gender Inequality Index\textsuperscript{22} score of 0.758.\textsuperscript{23}

- The same report ranks Mozambique 95 out of 156 countries with a score of 0.655 (out of a possible 1) in the category of Economic Empowerment and Opportunity for women.

- Overall employment figures show that while 82.3 percent of men are employed, only 39.4 percent of women are.\textsuperscript{24}

- More than 80 percent of women living in rural areas work in the agricultural sector compared to 56.1 percent of men in rural areas.\textsuperscript{25}

- As Mozambique is a largely agrarian society, women’s access to land, credit, and training remains crucial to achieving gender parity in economic development.\textsuperscript{26}

- Outside the agricultural sector, women are most active in the sales and services sector.\textsuperscript{27}

- In agriculture, women are principally responsible for food crops such as groundnuts or beans, while men take the main production and marketing decisions in relation to cash crops such as cotton and tobacco.

- In addition, men tend to be engaged in non-agriculture employment which also increases their migration patterns leaving the women, children, the sick and elderly in the villages. Consequently, women’s workload has dramatically increased in the past few years.

- The situation is exacerbated by other factors which affect the women’s low productivity in the sector such as: the small size of agricultural holdings and unequal access to credit, unavailability of agricultural tools, seeds, extension services, roads and other infrastructure, as well as irrigation facilities.

- The 1997 Land law aimed to institute gender equality in access and control over land as a resource. However, women are not benefiting from this protection, partly due to lack of information and knowledge about their rights, and partly because the administrative and judicial practices are still far from incorporating the norms and dynamics that the Land Law attempts to encourage.

- It is also estimated that rural women spend an average of 14 hours working on agriculture related activities, water fetching, livestock management, and domestic chores, as compared to men who spend an average of 6 – 8 hours on agriculture work.

- Inadequate access to markets and marketing information is another constraint leading to the low incomes of women farmers.

- In Mozambique, the entrepreneurship and micro-finance initiatives to date are largely confined to the urban centers, there is very little information available on the outreach to rural poor men and women for poverty reduction.
• Most of the rural women are concentrated in the informal sector and have very little access to formal credit, skills and business training.

• Some gender-specific constraints, that influence the demand for financial services, are: (i) the very low levels of female literacy in much of the country; (ii) lack of access to independent assets (linked to customary inheritance rights that privilege men as well as lack of employment opportunities for women); (iii) lack of time and mobility linked to women's specific responsibility for reproductive labor and family welfare; and, related to these factors, (iv) lack of access to information and business experience.

• Finally, there is an observable regional gender differentiation in the country. In the south, for example MFIs have successfully reached women clients, estimated at 60 percent. In these regions women tend to be more entrepreneurial, readily engage in diverse business such as, dealing in sales of vegetables, fruits, household consumables, and sometimes trading regionally as well as transboundary.

• Women also depend largely on informal money lenders and group savings methods, while men tend to have better access to urban based credit services.
ANNEX 1: FIGURES

Figure 2. The GDP Annual Growth Rate for Mozambique between 1990 – 2020 in % Source: World Bank (2022)

Figure 3. The unemployment rate (%) in Mozambique between 1990 – 2020  Source: World Bank (2022)
Figure 4. The distribution of employment opportunities by the main 3 economic sectors between 1991 – 2020 Source: World Bank (2022)

Figure 5. The average interest rate of loans (%) given by the commercial banks in Mozambique. Source: World Bank (2022)
Figure 6. Demonstration of the amounts of local and imported produce, recorded in Mozambique. Source: World Bank (2022)

Figure 7. Mozambique Agribusiness Stakeholder Mapping. Source: InfoDev (2013)
## ANNEX 2: LOCAL ENABLING ENVIRONMENT ACTORS AND STAKEHOLDERS IN THE NEXUS

Table 1. List of WE4F stakeholders in Mozambique

<table>
<thead>
<tr>
<th>Sector(s)</th>
<th>Name</th>
<th>Relevance to WE4F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water/Energy</td>
<td>Mozambique - Friends of the Earth International</td>
<td>- They are committed to free rivers and clean water for all, environmental law and policy monitoring, promotion of renewable energies and a toxic free environment</td>
</tr>
<tr>
<td>Water/Food/Energy</td>
<td>Care International</td>
<td>- CARE International (CI) is a global confederation of fourteen independent non-profit and non-sectarian humanitarian organizations working together to fight poverty and provide assistance in the face of humanitarian emergencies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Programmatic areas: Capacity building for self-help; creating economic opportunities; relief assistance in emergencies; influencing policy decisions at all levels, and elimination of discrimination in all its forms.</td>
</tr>
<tr>
<td>Food</td>
<td>Hunger Project</td>
<td>- The Hunger Project works to build sustainable community-based programs using the Epicenter Strategy. An epicenter is a dynamic center of community mobilization and action, as well as an actual facility built by community members. Through the Epicenter Strategy 15,000-25,000 people are brought together as a cluster of rural villages — giving villages more clout with local government than a single village is likely to have and increasing a community's ability to collective utilize resources.</td>
</tr>
<tr>
<td>Food/Water</td>
<td>Skillshare International</td>
<td>- Skillshare International works in health, education, environment, management, food production and rural development. They do this mainly through development worker placements and leadership training.</td>
</tr>
<tr>
<td>Food/Water/Energy</td>
<td>World Vision</td>
<td>- Faith-based organization focusing on the underlying causes of poverty and injustice to build a better world for all children in Mozambique.</td>
</tr>
<tr>
<td>Food/Water/Energy</td>
<td>Technoserve</td>
<td>- Agribusiness support organization working with micro and small enterprise.</td>
</tr>
</tbody>
</table>

### Private Sector Led Initiatives

<table>
<thead>
<tr>
<th>Sector(s)</th>
<th>Name</th>
<th>Relevance to WE4F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water/Food</td>
<td>SUN Business Network</td>
<td>- The SUN Business Network (SBN) is the private sector branch of the SUN Movement and aims to support businesses in growing the role they play in improving nutrition and to support SUN countries in developing national business engagement strategies</td>
</tr>
<tr>
<td>Food/Water/Energy</td>
<td>GAIN</td>
<td>- GAIN has worked with the Confederation of Trading Associations of Mozambique (CTA) to give them the adequate tools for their engagement in initiatives aimed at promoting nutrition in the country. As a result, local private companies have access to technical and financial support provided by GAIN, with support from CTA. To-date, over 300 companies have received training in food processing, marketing and other relevant business management techniques</td>
</tr>
<tr>
<td>Food/Water/Energy</td>
<td>Confederation of Economic Associations (CTA)</td>
<td>- The Confederation of Economic Associations of Mozambique (CTA) is the official partner of Dialogue with the Government, representing the Private Sector and works towards a better business environment in Mozambique, through the promotion of economic and regulatory reforms.</td>
</tr>
<tr>
<td>Food/Water/Energy</td>
<td>Commercial Banks (for example, BCI, Standard Bank, or Opportunity Bank)</td>
<td>- Commercial banking institutions with a range of medium to long-term loans; financing packages for specific projects (such as, poultry out growers). Interest in expanding downwards to small enterprise.</td>
</tr>
<tr>
<td>Sector(s)</td>
<td>Name</td>
<td>Relevance to WE4F</td>
</tr>
<tr>
<td>--------------</td>
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<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Food</td>
<td>Gapi</td>
<td>Development finance institution offering credit for SMEs and linking this to BDS services and broader institutional support.</td>
</tr>
<tr>
<td>Food</td>
<td>Banco Terra</td>
<td>Offers credit for microfinance institutions and credit for agribusinesses and other enterprises.</td>
</tr>
<tr>
<td>Food</td>
<td>BDS providers</td>
<td>Idea Lab and ELIM Serviços Lda provide business development services, notably to agribusinesses.</td>
</tr>
<tr>
<td>Public Private Partnerships</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>Cuamba solar plant</td>
<td>26 million USD</td>
</tr>
<tr>
<td>Energy</td>
<td>Namaacha wind farm</td>
<td>280 million USD</td>
</tr>
<tr>
<td>Energy</td>
<td>Metoro solar power plant</td>
<td>40 million USD</td>
</tr>
<tr>
<td>Energy</td>
<td>Central Solar Metoro</td>
<td>56 million USD</td>
</tr>
<tr>
<td>Energy</td>
<td>Mocuba Solar PV Plant</td>
<td>84 million USD</td>
</tr>
<tr>
<td>Government Organization/Regulatory Bodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>Ministry of Mineral Resources and Energy</td>
<td>Electricity production and infrastructure development</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Ministry of Agriculture and Food Security</td>
<td>Rules and regulations, laws related to agriculture</td>
</tr>
<tr>
<td>Water</td>
<td>Ministry of Sea, Inland Waters and Fisheries</td>
<td>Water resource management, fisheries, Campaigns on water conversation</td>
</tr>
<tr>
<td>Water</td>
<td>Ministry of Public Works, Housing and Water Resources</td>
<td>Water supply</td>
</tr>
<tr>
<td>Water / Energy / Food science</td>
<td>Ministry of Science and Technology</td>
<td>Promotion of science and innovation in Mozambique</td>
</tr>
<tr>
<td>Finance</td>
<td>Ministry of Economy and Finance</td>
<td>Rural financing, Women financing</td>
</tr>
<tr>
<td>Food</td>
<td>Centro de Promoção da Agricultura (CEPAGRI)</td>
<td>The mission of CEPAGRI is to make undertake economic analysis to support policy decisions and guide investments in strategic areas in agriculture; to identify and promote opportunities for investments and good practices in agribusiness; and to promote and guide private investment in commercial agriculture. Agribusiness support center linking government with private sector</td>
</tr>
<tr>
<td>Food/ Energy</td>
<td>Agriculture Research Institute (IIAM)</td>
<td>Agricultural Research Institute of Mozambique—responsible for certification, quality tests, research and development, and so on.</td>
</tr>
<tr>
<td>Food/ Energy</td>
<td>National Training Institute (INEFP)</td>
<td>Mozambique vocational training institute with technical training in agro-processing</td>
</tr>
<tr>
<td>Food/ Energy</td>
<td>SME Promotion Institute (IPEME)</td>
<td>Institute for the promotion of SMEs, through Business Development Services BDS and other services.</td>
</tr>
<tr>
<td>Sector(s)</td>
<td>Name</td>
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</tr>
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<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Food/Water/Energy</td>
<td>Instituto Superior de Ciencias e Tecnologias de Moçambique (ISCTEM)</td>
<td>Provides entrepreneurship education.</td>
</tr>
<tr>
<td>International Bodies/Agencies</td>
<td>Water/Energy/Food</td>
<td>GIZ</td>
</tr>
<tr>
<td>International Bodies/Agencies</td>
<td>Water/Energy/Food</td>
<td>World Bank</td>
</tr>
<tr>
<td>International Bodies/Agencies</td>
<td>Water/Energy/Food</td>
<td>USAID</td>
</tr>
<tr>
<td>International Bodies/Agencies</td>
<td>Water/energy/Food</td>
<td>WFP</td>
</tr>
</tbody>
</table>
| International Bodies/Agencies | Water/energy/Food | FAO                                    | FAO works closely with the Government of Mozambique to improve nutrition and eradicate hunger in the country providing support in three priority areas described in the Country Programming Framework (CPF) 2016-2020:  
  o Improve selected value chains for food and nutrition security;  
  o Ensure transparent and sustainable management of natural resources and environment;  
  o Increase the resilience of livelihoods to climate change, threats and crisis. |
ENDNOTES

1 IFC (2021). COUNTRY PRIVATE SECTOR DIAGNOSTIC. Creating markets in Mozambique. A study conducted by the World Bank Group in partnership with SIDA.
2 Ibid.
3 Ibid.
4 Ibid.
6 Zimba, 2015.
8 Ibid.
10 Ibid.
12 Ibid.
16 Nordstr, 2019.
17 Ibid.
19 In 2007, the country developed a gender policy and an accompanying implementation strategy (República de Moçambique 2018a). Updated in 2018, it provides context-specific guiding principles with the view to enable decision-making and the identification of actions to elevate the status of women and improve gender equality.
22 The Gender Inequality Index is a measure of gender inequality in health, empowerment and economic status. Index values range between 0 and 1, with higher values indicating higher inequalities.
26 Ibid.
27 Ibid.