

ASSESSMENT OF PROGRAM IMPACT

USAID/MOZAMBIQUE

FY 1991

SECTION I. OVERVIEW OF SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Mozambique is a country in the midst of dramatic change. For the past five years the country has undergone an extraordinary and rapid transformation from Marxism-Leninism towards democracy, decentralized government, and a market economy. The results have been significant. From 1987 to 1989 the economy grew at 5% per annum, after a 30% decline in 1982-85. In Maputo, the capital, where five years ago shop shelves and market stalls were bare, there is now a bountiful supply of largely Mozambican-grown fresh produce and basic consumer goods. Meanwhile, after 16 years of civil war, the prospects for peace are hopeful as the government and rebel forces (RENAMO) negotiate an end to the war and a structure for post-war elections.

Nonetheless, Mozambique continues to suffer from civil insecurity, lack of infrastructure, drought, and external economic shocks. Despite the peace negotiations, the dominant constraint continues to be the security situation. The impact of the insecurity is felt by the majority of the population, especially those in rural areas. Over 50% of the population is estimated to be food insecure and 50-60% live in absolute poverty¹. The numbers of Mozambican refugees in neighboring countries and people displaced internally continue to rise due to RENAMO attacks and banditry. For example, it is reported that Malawi continues to receive several thousand refugees per month and Maputo is receiving 400 migrants per day from insecure areas.

Infrastructure continues to be destroyed by the war or deteriorate from lack of maintenance. Schools, health posts, farms, and all modes of transportation (railroads, airports, road networks, and coastal shipping) have suffered. The lack of infrastructure and insecurity also inhibit travel outside most provincial capitals. With only 2,500 college graduates and illiteracy estimated at more than 60%, Mozambique's human resources base is very weak.

Drought, combined with the insecurity situation, in Sofala, Manica, and the southern portion of Zambezia Provinces has led to significant increases in food shortages in those provinces in 1991. On the other hand, in areas where rainfall was normal (Cabo Delgado, Nampula, and upper Zambezia Provinces), bumper harvests, including the largest marketable surpluses since independence, were reported for the important basic food crops

¹ Absolute poverty is defined by the World Bank as the level of income per person below which: a) growth faltering in children becomes a common occurrence; and/or b) the cost of a basic monthly food ration (supplying 60-70% of caloric requirements) represents 50% or more of the income level.

(maize, beans, and groundnuts). These growing surpluses are increasingly being marketed through private agents, but, even where production was good, insecurity limited the ability of traders to move foodstuffs between surplus and deficit areas (even within the same province).

Overall economic growth slowed to 2% in 1990 due, in part, to poor harvests, repeated sabotage of power supply lines, and a rise in world petroleum prices. The World Bank projects that the economy will bounce back in 1991, achieving a 4-5% growth rate, with inflation moderating from the 1990 level of 47%.

The principal uncertainties facing Mozambique and the A.I.D. program will be those related to the peace process and political reforms which are underway.

SECTION II. PROGRAM GOALS AND SUBGOALS

Assessing progress at any level of the Mission strategy is subject to severe data constraints. All of the special factors described above not only constrain the Mission's and GRM's ability to collect data and monitor current performance, but have also left the country with little more than anecdotal evidence of conditions in past years. While some data does now exist at the district level for some parts of the country, extrapolation to the national level must be done with caution. Trend analysis is largely restricted to the past few years, at best. In most parts of the country, moreover, exogenously driven and unpredictable population movements make it difficult to draw causal linkages between USAID's assistance and socioeconomic conditions.

As a result, the Mission has put considerable resources and emphasis on the building of baseline databases. This effort has been conducted in close collaboration with the GRM. In addition, the Mission has also benefited from efforts by and coordination with other donors in data collection and analysis. While the baseline databases are thin and far from comprehensive, the discussion below reflects the Mission's belief that progress is being made towards achievement of its objectives.

GOAL: Ensure access for all Mozambicans at all times to sufficient food for a healthy and productive life

The most limiting factor for a healthy and productive life after peace and security remains lack of food. Therefore, the Mission is using stability of food supply as a proxy indicator. Recent studies are also beginning to provide information on access constraints.

Although the availability of food in urban areas has improved, the situation in rural areas remains subject to tremendous disparities. The access issue for urban areas appears to be shifting from one of adequate supplies to one of adequate income (and its corollary of efficient marketing). In the rural areas the major constraints are total and temporal availability of foodstuffs.

Three recent studies^{2 3 4} and the Mission's ongoing price studies all indicate that the supply of food in Maputo -- from domestic production, donor assistance (emergency and commercialized food aid), formal sector commercial imports, and parallel market imports -- has been stabilized to where some basic food prices have fallen in real terms. However, the three studies also indicate this stability is not due to saturation of the market. There remains a significant part of the urban population which is unable to participate in the market because of inadequate income. At their income level, this part of the urban population is already spending 70-85% of their income to obtain only 60% of the family's caloric requirements.

In the rural areas, limited, site specific information indicates that acute malnutrition rates are still in the 5-15% range, with the highest incidence (up to 46%) being among refugees arriving in camps in Malawi. Limited, site specific data also show that in secure areas, agricultural production and income have increased, except where subject to drought conditions. Overall, the rural areas are more vulnerable to food insecurity and poor health services.

SUBGOAL 1 Meet the subsistence food and basic health requirements of the absolute poor

The estimates of the number of absolute poor varies according to which study one cites, although there is general agreement that it includes over 50% of the total population of Mozambique. Strategies to address the needs of the absolute poor must be tailored to the needs of subsets of the group, with income and

² "Making the Transition to a Market Economy: Commercial Food Aid and U.S. Yellow Maize in Mozambique," Louis Berger International and AUSTRAL, Consultoria e Projectos Lda., August 1991

³ "Peri-Urban Baseline Research Results: Maputo, Mozambique, Final Report," Ohio State University, October 1991

⁴ "Targeting Cash Transfers to the Urban Destitute of Mozambique: Assessment and Reorganization of the Food Subsidy Scheme," Maputo, August 1991, TeamConsult Berlin/GTZ, Schubert and Antezana

location (urban or rural) being the primary discriminators.

While some improvement in family income, and its consequent improvement in food security, can be seen at the upper levels of this group, 30% of the absolute poor (or 15% of the total population) remains extremely vulnerable and the remaining 70% remain vulnerable. The improvement in income has been primarily dependent on increased participation by one or more household members in a growing informal economy.

The degree of food security of the most vulnerable in major urban centers will also be dependent on the effectiveness of the safety net, which is under intense scrutiny. In rural areas, food security is also constrained by insecurity-induced scarcity of land, unreliable access to agricultural inputs, and poor terms of trade. This will be discussed in greater detail under Strategic Objective 1.

Regarding basic health requirements, UNICEF estimates that only 30% of the total population has access to basic primary health care services, and most of these persons live in urban areas. Rural families, for the most part, have little, if any, access to health care, due to the widespread destruction of rural health facilities and limited GRM budgetary resources to deliver services outside more secure urban areas.

Based on the OSU Peri-Urban Baseline Study, a possible additional subgroup of the absolute poor are female-headed households. Data from the study suggests that a household's level of food security and source of drinking water is a function of the gender of the head of the household. The critical factor is total household income which is related to the number of adult members in the household. Male-headed households have more adult members and more of them employed in the formal sector and self-employed. In addition, male heads earn 1.8, 1.3, and 1.6 times the average earnings of female household heads in services, construction-industry, and commerce, respectively. Total monthly household income for female-headed households ranges from 8,000 meticais to 140,000 meticais (with most in the 45-77,000 meticais range). For male-headed households the range is 28,000 to 340,000 meticais (with most in the 70-120,000 meticais range). There was no significant difference in household size (male-headed and female-headed, 8.9 and 7.13, respectively).

In addition, in 91.8% of the households household members do not share health expenses and 92.2% do not share education expenses. Further analysis is expected to ascertain to which gender the responsibility for these expenses fall. Given the significantly greater participation of women in the informal economy, with its lower income generation, who has responsibility for health and education may be a serious constraint to improved health and child survival.

SUBGOAL 2 Increase food supplies through production and trade to levels that meet domestic consumption requirements

The most striking increase in food supplies through production and trade is in the urban areas, especially in Maputo. Taken together, four recent studies⁵ show a dramatic increase in market activity in the import and sale/trade of foodstuffs from all sources. They also clearly show that the NSA (Novo Sistema de Abastecimento) ration system is completely inadequate and largely irrelevant as a food safety net for the most vulnerable portion of the population.

The Peri-Urban Baseline Study indicates an important increase in purchases from the market and decreasing reliance on the NSA by all families. The study also indicates that home food production is an important element in a family's food strategy. The GTZ study indicates that for the 15% (or 33%, according to OSU) of the population in Maputo which does not have access to the NSA ration, the market is the primary source of food. Evidence from the OSU and GTZ studies also indicates an important role for production in the "Green Zones" and Chokwe (Gaza Province) in the food supply in Maputo.

For the rural areas, the data are more limited. From the very preliminary MSU household survey data (three districts in Nampula Province) and anecdotal information from Cabo Delgado Province, production is up and, at least within the MSU study area, the number of traders and amounts of food surpluses marketed has increased. Information from several PVOs indicates that in insecure areas (Tete, Zambezia, Sofala) this is not equally true. The 1991 drought in Sofala, Manica and southern Zambezia Provinces has also aggravated the emergency needs in some rural areas.

⁵ The OSU "Peri-Urban Baseline Study", GTZ's Cash Subsidy Project, the Louis Berger International's "Food Systems Analysis", and the Mission's on-going price series.

SECTION III. PROGRESS TOWARD STRATEGIC OBJECTIVES

Strategic Objective 1

Sustain an effective food safety net for the urban poor and those displaced and severely affected by war or natural disasters

In the past year USAID and other donors have taken a hard look at emergency programs designed to address this strategic objective. The interaction of macroeconomic, sectoral and political reforms has aggravated the deterioration of and effectiveness of the NSA, while increasing the need for a safety net. As the market place assumed a greater role in the provision of food, the NSA ceased to function in its primary intent, that of providing food equally to all in an environment where all were threatened with scarcity. Even for the 15% of the population who are extremely vulnerable, the ration system is wholly inadequate. They are either ineligible, cannot afford the full ration, when it is available, or are unable to obtain the complete ration from its outlets. Over the next several months the Mission will continue to explore alternatives to the NSA in collaboration with the Food Security Department and other entities of the GRM, other donors, and PVOs.

While the developing private sector market appears to be playing a more important role in assuring broad food security in the urban areas, it is not sufficient. As mentioned earlier, in urban areas, lack of income still constrains at least 15% of the population from obtaining even 65% of their basic caloric requirements (even though they are spending 79-82% of their monthly income on food).

It is clear to the Mission that neither the NSA nor the market will address the food security needs of this part of the population. What is less clear is what the alternatives are. The problems of the NSA (inefficient management, diversions, non-remuneration, price, availability, exclusion of recent arrivals) will plague any substitute food safety net which involves government administration. The current pilot income subsidy scheme (cash transfer), while admirable in its intent to target the truly vulnerable, is expected to take four years to reach all 60,000 families who need the assistance now. It is also not clear that the GRM will be able to manage this program any more effectively than it has the NSA.

Characterization of the food security situation in rural areas is even more difficult -- data are scarcer, more site specific, anecdotal rather than empirical, temporally specific (dependent on time of year, drought, transient security situation), among other impediments. The principal organizations involved in

relief for the rural areas are the Department of Prevention and Control of Natural Calamities (DPCCN) and PVOs. Neither the DPCCN nor the PVO community have been able to provide full rations 100% of the time to any target area. Survival continues to be dependent on local production for 70% of Mozambicans.

Many of the problems experienced by the NSA in reaching the truly vulnerable in urban areas also apply to DPCCN. Aggravating the situation for DPCCN is the weak transportation infrastructure. With the assistance of CARE, accountability of the free, donated food handled by DPCCN is improving. However, the improvement is marginal and the high turnover of staff negates the training by CARE. In many areas, the DPCCN is preventing the private sector from transporting both food and back-haul cargoes, rather than focussing its fleet and infrastructure on inaccessible areas (i.e., areas where the private sector can't afford the physical risks). As with the NSA, the inefficiencies and ineffectiveness of the delivery system call into question continued support to the organization.

In fact, increasing amounts of donor emergency food are being distributed through PVO alternatives to DPCCN. DPCCN itself is considering changing its role to acting as a planning and coordinating agency for disasters and other calamities, delegating the delivery function to non-government organizations, including the commercial private sector. This view is by no means shared throughout DPCCN or the GRM. It is receiving increasing concurrence amongst the major donors and PVOs. Over the next months, the Mission will be exploring with the GRM, other donors and PVOs alternatives to the DPCCN.

STRATEGIC OBJECTIVE 2

Reduce, among target population groups, dependence on external food aid to meet subsistence requirements

The principal vehicle for achieving this objective is the PVO Support Project. The PVO Support Project has just reviewed the first concept papers submitted and expects to review final proposals over the next four or five months. Analysis of the first baseline data under the existing project grants (grant specific) is not yet completed. The next major baseline survey for a second PVO is planned for January. As part of each future grant, the grantee is being required to establish baselines and benchmarks. Not enough measurable progress is expected to be seen on a yearly basis to justify tracking data annually.

Preliminary data from the MSU study in three districts of one province is provided as a baseline on percent of production marketed and levels of production. The comparability of this data to those which will be collected by the PVOs receiving

grants under the PVO Support Project is unknown. We do expect, however, by expanding the areas being monitored, to be able to see general trends in production and marketing which can be used as a proxy for income.

STRATEGIC OBJECTIVE 3

Establish a policy environment conducive to private agricultural production and marketing

At the beginning of the FY 1990-1992 CPSP strategy, the Mission found a policy environment for agriculture production and marketing which, although improved over the pre-1987 period, was still discouraging to production and marketing. To help the GRM continue the full transition to a market-based policy environment, the Mission chose to address four policy issues:

- Reduce direct government involvement in agricultural production and marketing;
- Eliminate fixed prices for agricultural commodities;
- Eliminate price and movement restrictions on trade and transportation of agricultural commodities; and
- Improve land tenure security for private commercial and family farmers.

As stated in last year's API, in 1990, the Mission devoted considerable attention to establishing research and monitoring systems which concomitantly provided the framework for ongoing dialogue with the GRM. Over the past year, the first indications of a changing environment were evident, although not universally for all policy issues or equally across all provinces. Nonetheless, the GRM moved from fixed prices to floor producer prices for groundnuts, cashews, sunflower seed and sorghum in 1990 and made a similar move for manteiga and nhemba beans, white maize and paddy rice in 1991. For domestically produced maize, the GRM decontrolled all prices at all marketing phases. Movement controls on all consumer goods were lifted by the GRM in June 1991, although implementation of the policy change appears to be spotty.

In terms of the impact of the policy change, the Mission has been able to partially document limited production and marketing responses, although there are no reliable aggregate data on the private sector's share and level of agricultural production and marketing. However, based on data that are available, including district-level data for some provinces, private agricultural marketing appears to be increasing.

Prior to USAID discussions with the GRM on liberalization of prices and markets, AGRICOM (the parastatal agricultural

marketing agency) marketed 95% of agricultural production. Agricom's own estimates show that this share declined to 85% in 1989, to 35-40% in 1990, and (based on preliminary data from 1991's harvest) is now barely 23% nationally across all crops. It appears that the increases in quantities marketed are taking place despite continuing rural insecurity and despite the lack of improvement in the availability of transportation. While the reliability of the AGRICOM data is uncertain (see 90 Maputo 4158) and it is too early to confidently describe these as trends, these estimates illustrate the changes taking place in agricultural product marketing.

The conclusion that private agricultural marketing is increasing is also supported by district-level data from two recent studies. MSU/Ministry of Agriculture data from districts in Nampula Province show that small-scale producers sold only about 3% of their bumper 1991 maize surplus to AGRICOM. Most of the balance was sold to private traders, especially to established shops in district towns (63%). But 26% went to a new category of traders which have become significant in Nampula in the past year, the very small-scale, informal (unlicensed) "ambulantes." These data also show that farmers are receiving higher prices from the private sector agents, and in many cases significantly higher from the ambulantes than from the established traders. A preliminary hypothesis is that where ambulantes are present, more competitive markets are emerging.

Preliminary data from four districts in Cabo Delgado Province indicate that AGRICOM is more active there than in Nampula and that ambulantes are not evident, although private marketing activity is undoubtedly increasing. Furthermore, prices received by farmers from both AGRICOM and private agents were higher than the announced floor prices for all major commodities.

The issue with the least visible, measurable change is improved land tenure security. The framework for dialogue on this issue consists of two research activities--one between the Ministry of Agriculture and the Land Tenure Center (26 months) and the other involving the LTC, the MOA and the University (part of the Peri-Urban Study). The long term technical assistance, arriving in November, will address the divestiture of state farms (Strategic Objective 4) and coordinate with the Peri-Urban research.

STRATEGIC OBJECTIVE 4

Increase the role of the market in allocating productive resources to private producers

State farm divestiture and expansion of the list of commodities

eligible for foreign exchange allocation are the two principal indicators that the Mission is tracking for this objective.

Monitoring the divestiture of state farms is severely hampered by the lack of a single entity with a comprehensive list of enterprises, knowledge of their disposition, and the responsibility to implement the government's restructuring and privatization plans. However, based on information gathered from a variety of sources, there has been considerable progress in the restructuring, privatization, and divestiture of state agricultural enterprises. About 50% of the enterprises have already been restructured, privatized (defined by MOA as being given to family sector farmers or individuals), sold or are in the negotiation process. Almost another third are closed or abandoned.

Both the MOA and USAID are impressed at the speed of the divestiture activity, but are concerned about the lack of transparency in the process. Long-term research and policy formulation assistance from the Land Tenure Center, beginning in early November, will aid the MOA in assessing the impacts of different methods of divestiture.

The GRM has continued expanding the list of commodities eligible for the SNAAD⁶, to include almost all raw material and spare parts, including non-production inputs for the agricultural sector (e.g., vehicles for transportation of produce and value-added processing equipment). The benefits of the expansion (anticipated to be a doubling of exports) were, however, not achieved as there was a shortage of foreign exchange. The Mission will continue to monitor SNAAD performance as an indicator of progress in achieving a true market-based exchange rate. The Mission will also monitor the secondary exchange rate as it is a better measure of foreign exchange allocation.

Except for 1990, the GRM met total budget subsidy targets. Although the 1990 target was exceeded overall, the subsidies to agricultural enterprises continued their downward trend in nominal terms, implying a more significant decrease in real terms.

In terms of exchange rate management, although the GRM continues to meet IMF and World Bank targets for the unification of the official and secondary exchange rates, these targets fail to address two important points. There is still a differential between the parallel rate and the secondary market rate, reflecting the administrative controls which still exist on the

⁶ SNAAD is the Sistema Nao-Administrativo de Afetaçao de Divisas, a version of an Open General License system for foreign exchange.

secondary market. Of equal concern is the lack of a defined procedure for exchange rate and FX management after the "unification" date in March. These issues have been more fully addressed in prior reporting and will be subject to discussion in preparation for the December Consultative Group meeting.

ANNEX A

The Mission elected to make a number of changes in its indicators for this API. Based on our experience in collecting and updating the data for the original indicators (and their modifications for last year's API), we have taken decisions regarding the availability of the proposed data, alternative data and indicators and the degree to which the indicators were actually measuring the intent of the strategic objectives, targets and subtargets (SOTS). We stopped short of re-articulating the SOTS as that is not an option this year. However, where the articulation of the Strategic Objective (SO), based on the changing situation in-country, does not lend itself to being measured with available data, the matrix has been left blank or the indicators and data sets have been changed. In the latter case, the indicators were selected for agreement in spirit with the intent of the SO. Where the indicator is not really an indicator, i.e., where it is a statement of means such as Sub-Target 1-2-1, we have stated that the means were put in place.

For the next API (October 1992), we will change (and so identify) the indicators to ones more amenable to measurement.

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
!STRATEGIC OBJECTIVE 1						
!Sustain an effective food safety net for the urban poor and those displaced and severely affected by war or natural disasters	!Reduced growth faltering rates to below the range of 16-30% in urban and provinces, respectively (See Annex A)	!'88 mean total 16.2% \7 !Maputo 15.3% !Rest of country 17.8%		!Jan-June 1991 national= !-12.2% \24 !Gaza 11.5% !Inhambane 21.4% !Sofala 12.4% !Manica 11.3% !Zambesia 14.0% !Mampula 14.1% !Niassa 18.3 (3 months only)		
	!Maintain or improve rural and urban rates of infant mortality (See Annex A)	!'84 IMR 200/1000 \3 \2 !USMR 325-375/1000 \3 \2	!'88 IMR 173/1000 \13 !USMR 298/1000 \13	!'89 IMR 173/1000 !USMR 297/1000 \32		
	!National food requirements relative to domestic production plus total imports (See Annex A)	!'89/90 Require/U.S. \17 !Total Deficit 484/164 !Emergency 195/164 !Commercial 228/0	!'90/91 \18 !Total Deficit 492/205 !Emergency 198/65 !Commercial 361/140			
!Target No. 1-1						
!Meet 30% of the annual emergency food needs of those displaced and severely affected by war or natural disasters	!Free food distribution requirements relative to donor pledges and actual deliveries	!'89/90 Free distribution pledges 32% of total pledges; 71% of pledges received and 51% distributed \10	!'90/91 Free distribution pledges 32% of total pledges; 99% of pledges received and 81% distributed \11 !U.S. approved level 40% of needs & 57% of pledge			
	!Stability of supply in the emergency food aid pipeline	!'89 200,000 MT begin stocks \10 !Landed 69% of 88/89 pledges by Feb '89 \4		!As of 7/31/90 84,000 MT of pledges not yet arrived \11 \18		
	!Increased percentage of designated beneficiaries in PVO target areas who receive full rations 100% of time	!None	!None	!None		

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
Sub-Target 1-1-1						
!Improve logistical capacity and efficiency as well as accountability for food aid programs	!Emergency food transport contracted to the private sector increased from 10,000 metric tons to 20,000 MT	!CARE/LSU Proj Proposal states that in '88 approx 7,000 MT contracted out to private transporters	!In '90, 18,252 MT contracted to private transporters \15			
	!Percentage of unsigned waybills for commodity deliveries from ports to district warehouses and distribution centers reduced from 60% to 40%	!'88/89 60% unsigned waybills \19	!For '89/90, reduced to 16% \19	!WVRD records show reduced to <25% of total \20		
Sub-Target 1-1-2						
!Increase amounts of locally produced food purchased and utilized for emergency distribution	!Increased percentage of domestically produced food used for free food distribution	!FY 90, 2,000 MT of WVRD yellow corn swapped Zambia for locally prod'd white corn \20		!2,500 MT purchased of locally produced corn and beans for Zambia \20		
	!Increase in local currency budgeted (or generated in PVO programs) and expended for domestic food purchases for emergency distribution	!'91 Mt 550,000,000 budgeted for purchase of corn & beans in Zambia Province \21				
!Target 1-2						
!Meet 40% of the maize requirements (about 25% of the estimated commercial food needs) for the market dependent urban population	!Decreased percentage of household income required to meet household food needs in lower income groups within sample areas	!Lowest income group spent 85% of income on food, fuel, water \5		!82-90% of income on food, water, fuel \26		
	!Commercialized food (commercial food aid, commercial imports and domestic production) provides at least 40% of urban market requirements	!'89/90 ~ 68% \10 \11 !U.S. contrib 26.8% \22 !YCorn 100% Rice 10% !WCorn 93% Sugar 40% !YFlour 86% Oil 70% !WFlour 5% !Estimated '89 \16	!'90/91 50.8% \18 !U.S. contrib 27.8% \22	!U.S. contrib 37% \22		
	!Price fluctuations on parallel market maize due to erratic supply are minimized		!% change Off Para !Sept 44.7 32.8 !June 0.0 -33.6 !March 0.0 20.6 !1990 \6			

5

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
<p>Sub-Target 1-2-1</p> <p>Streamline ration system operations and increase its focus on providing commodities to the urban poor</p>	<p>Removal of white maize from the ration system and liberalization of its consumer price</p> <p>Completion and implementation of an action plan to restructure the food safety net system to increase its focus on the poor, reduce subsidies to upper income groups and simplify administration (See Annex A)</p>		<p>Consumer price liberalization 5/90</p>			
<p>Sub-Target 1-2-2</p> <p>Increase private sector imports</p>	<p>Authorization of private sector to import maize, beans and vegetable oil</p> <p>100% private import of USAID-financed vegetable oil for commercial sale (See Annex A)</p> <p>Initiate private importation of USAID-financed maize for commercial sale</p> <p>Reduction in real terms of subsidy levels to parastatals involved in food imports and processing (See Annex A)</p>					

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
STRATEGIC OBJECTIVE 2						
Reduce, among target population groups, dependence on external food aid to meet subsistence requirements	Increased reliance on local production and markets, rather than emergency food aid, to meet food requirements	'90/91 % Production not sold \27 !Maize 63% !Beans 79% !Mandioca 78% !Rice 70%		!Corn W!Corn !NSA/Work 66% 8.2% !Dumba!engue 15% 30% !Loja 7% 5% !All others 12% 36.8% !Naputo \16		
	Prior indicator moved to SO 1					
Target 2-1						
Increase rural employment, production capacity and cash income among target groups	Increased number of households with cash income in target areas					
	Increased number of households with full- or part-time wage earning family members in target areas					
	Increased total household agricultural production for own consumption or sale in target areas					
Target 2-2						
Increase coverage of preventive health care and availability of basic services among target	Increased percentage of immunization coverage	'88 \13 !DPT 56% !Polio 32% !Measles 32%	'89 \13 !DPT 39% !Polio 39% !Measles 48%			
	Percentage increase in number of women able to use ORT	'87 ORT use rates !14% median \13	'88 \13 !14.%			
	Higher ratio of latrines and/or clean water per number of families	!1985-87 \13 !% access to safe water !Urban 38% Rural 9% !% access to sanitation !Urban 53% Rural 12%				

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
STRATEGIC OBJECTIVE 3						
!Establish a policy environment conducive to private agricultural production and marketing	!Increased share of marketed output channeled through private traders and transporters	!'89 Total marketed thru AGRICOM \23 !Maize 59,000 MT !Rice 5,827 MT !Cassava (dry) 2,709 MT !Beans 11,979 MT !Sunflower 1,174 MT !Copra 1,497 MT !Cashew 2,386 MT	!'90 Total marketed thru AGRICOM \23 !Maize 37,363 MT !Rice 1,618 MT !Cassava (dry) 6,910 MT !Beans 4,094 MT !Sunflower 482 MT !Copra 1,919 MT !Cashew 1,348 MT			
	!Increased marketing of both food and cash crops					
Target 3-1						
!Increase the role of the market in determining producer prices	!For cash crops, producer floor prices adjusted regularly to maintain border parity prices	!'89 Groundnuts mt 255 !'89 Cotton mt 175 !'89 Copra mt 100 !'90 Cashew mt 200 !'89 Sunflower mt 130 !\23	!'90 Groundnuts mt 1.6% !'90 Cotton 14.9% !'90 Copra 15% !'90 Sunflower 15.4% !(relative to prior year's) !\23	!Move from fixed prices to floor prices for producers in 1990 for groundnuts, cashews, sunflower seed, sorghum !Floor prices announced for 91 !'91 Groundnuts 69.9% !'91 Cashew 90% !'91 Sunflower 66.7% !\23	!Floor prices announced for '92 !Groundnuts 45.5% !Sunflower 39.4% !Copra 27.3% !Cotton 49.5% !\23	
	!For beans, parity-based producer floor prices adjusted regularly	!Fixed prices for '89 !Manteiga mt 230 !Nhamba mt 160 \23	!Fixed prices for '90 !% change from prior yr !Manteiga 14.8% !Nhamba 15.0% \23	!Manteiga and Nhamba beans moved to floor price system for '91 !% change from prior yr !Manteiga 51.5% !Nhamba 46.7% \23	!Floor prices for '92 !% change from prior yr !Manteiga 70.0% !Nhamba 70.4% \23	
	!White maize and rice moved to parity-based producer floor price system, and thereafter floor prices adjusted regularly to maintain parity base	!Fixed producer price for '89 !Maize mt 110 !Rice, paddy mt 145	!Fixed producer price for '90 !Maize 14.5% !Rice, Paddy 15.2%	!Floor prices for '91 !Maize 50.8% !Rice 53.6%	!Floor prices for '92 !Maize 44.7% !Rice 46.2%	

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
!Target 3-2						
!Allow market incentives and ! local entrepreneurial ! initiative to play a more ! dynamic role in domestic ! agricultural trade	!Phasing out of fixed tariffs ! in favor of transporter- ! client negotiated rates !Elimination of fixed marketing ! margins for domestically ! produced maize, beans & rice	!See Annex A !See Annex A		!Tariffs still fixed but ! revised upward in ! early 10/91		
	!Elimination of trade ! restrictions that permit ! market-based decisions on ! commodity movements	!See Annex A		!5/90 domestic produced ! floor price for ! maize; no longer set ! prices at any other ! marketing phase !11/90 paddy rice moved ! to producer floor ! price; milled rice ! remains !Announced 6/91; ! anecdotal evidence ! indicates increased ! avail of consumer goods ! Also that surplus is ! moving in significant ! quant to other provinces		
	!Free competition in internal ! trade of all commodities	!See Annex A				

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
STRATEGIC OBJECTIVE 4						
Increase the role of the market in allocating productive resources to private producers	Number of state farms and total acreage divested to private commercial and family farmers	See Annex A and Target 4-1				
	Reduction of real subsidies and credit to state farms	1988 6.8 billion mt \30	1989 6.1 billion mt \29	1990 5.9 billion mt \31		
	Increased private sector share of "free" foreign exchange allocations	See Annex A				
Target 4-1						
Promote the divestiture of state farms to private commercial & family farmers	Completion of GOM action plan for the restructuring of state farms and delineating divestiture policy	345,100 ha on 48 known state enterp \7 61 state enterprises with unknown ha \7 (from '89 data)	468,704 ha on 50 known state enterp \7 26 state enterprises with unknown ha \7 14 state enterprises showing no ha \7 18 enterprises no longer on list \7 2 joint ventures \7 (from '90 data) \8*	199,877 ha on 10 known state enterprises \7 14 State enterprises with unknown ha or unknown status \7 31 closed, security reasons or abandoned 16 sold to family sector &/or private 12 sold to individuals 26 sold to or in negotiation for joint venture or part'ships (from 91 data) \8*		
	Completion of a USAID specific divestiture schedule (See Annex A)					
	Implementation of divestitures through 1992 as specified in the schedule					

OBJECTIVES	INDICATORS	BASELINE # (YR)	FY 1990	FY 1991	FY 1992	FY 1993
Target 4-2						
Institutionalize market-based allocation of foreign exchange for agricultural inputs	Eligibility for SNAAD financing expanded to the agricultural sector		5/90 expanded to include inputs for agriculture \28	7/91 expanded to include almost all raw material and spare parts \28	6/91 expanded to non-tradition exports	
	Full GRM compliance with IMF ceilings on credit and subsidies to parastatals	1988 subsidies to cover operating losses Target 12 billion mt Status 11.1 billion mt \29	'89 budgetary subsidies Target 18.4 billion mt Status 11.99 billion mt \30 \31	'90 budgetary subsidies Target 12 billion mt Status 14 billion mt \31		
	Exchange rate devalued to reflect increased demand for foreign exchange under the SNAAD and thereby bring the real rate closer to equilibrium	\25 Min Max for 1988 Official 420 620 MSC N/A Parallel 900 1,350 for 1989 Official 645 929 MSC N/A Parallel 1,350 2,000	\25 for 1990 Min Max Official 847 1,023 MSC* 1,650 1,840 Parallel 1,900 2,500 *MSC begun 10/31/90	\25 for 1991 Min Max Official 1,015 1,800 MSC 1,840 1,925 Parallel 2,100 2,350 thru 10/31/91		

- 2
- \1 Situation of Children and Women in Mozambique, Min of Co-Operation/UNICEF in co-operation with OHM, November 1989
 - \2 USAID/Mozambique Country Program Strategic Plan, FY 1990-1992, March 1990
 - \3 UNICEF (as cited in CPSP, which publication)
 - \4 Food Security Study, World Bank, July 3, 1989
 - \5 1988 Maputo Household Survey
 - \6 USAID price database
 - \7 USAID database from lists of state agricultural enterprises
 - \8 Much of the increase in hectarage is due to pasturage being picked up from the 1990 listing of divestitures; some doublecounting as a result of land being split for multiple distribution
 - \9 Final report "Making the Transition to A Market Economy: Commercial Food Aid and U.S. Yellow Malze in Mozambique," Louis Berger International and AUSTRAL, Consultoria e Projectos Lda., August 1991
 - \10 The Emergency Situation in Mozambique, Priority Requirements of the Period 1989-1990, March 1989, United Nations Office for Emergencies in Africa
 - \11 The Emergency Situation in Mozambique, Priority requirements for the Period 1990-1991, 1990, Government of Mozambique in collaboration with the United Nations
 - \12 91 Maputo 0703, FY91-92 Title III Commercial Sales Program, USAID/Maputo
 - \13 Children and Development in the 1990s: A UNICEF Sourcebook, 29-30 September 1990, UN, New York
 - \14 USAID 1990 Assessment of Program Impact
 - \15 CARE Annual Reports
 - \16 Peri-Urban Baseline Research Results: Maputo, Mozambique, Interim Report, Ohio State University, September 1991
 - \17 89 Maputo 0868 Emergency Program Update
 - \18 USAID Food Needs Assessment, May 1990 to April 1991 Appeal Year, FY 91-92 Multiyear Title III Proposal
 - \19 DPCCN records for provinces

- 22
- \20 World Vision (WVRD) records
 - \21 USAID PVO Support Project records
 - \22 USAID FFPO records
 - \23 USAID Agricultural databases
 - \24 Ministry of Health Nutrition Bulletins 1990 - 1991
 - \25 USAID economic databases
 - \26 Targeting Cash Transfers to the Urban Destitute of Mozambique:
Assessment and Reorganization of the FOOD-SUBSIDY-SCHEME,
Maputo, August 1991, Team Consult Berlin, B. Schubert & I. Anezana
 - \27 MSU Preliminary data from Namupa, 1991
 - \28 Bulletin da Republica, various
 - \29 2/14/91 ESAF Review of First Annual Arrangement
 - \30 5/4/90 ESAF Request
 - \31 8/19/91 ESAF Request for Second Annual Arrangement
 - \32 1991 UNICEF State of World Children