

# Strategy for Sweden's development cooperation with Mozambique 2022–2026



## Table of contents

<b>Direction</b> .....	<b>3</b>
Environment, climate and sustainable use of natural resources .....	3
Human rights, democracy, the rule of law and gender equality .....	3
Inclusive economic development.....	3
Peaceful and inclusive societies .....	3
<b>Country context</b> .....	<b>4</b>
<b>Activities</b> .....	<b>5</b>

## **Direction**

The objective of Sweden's international development cooperation is to create conditions to improve the lives of people living in poverty and oppression. Sweden's development cooperation will be based on the principles of aid and development effectiveness, the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement.

The strategy applies in 2022–2026 and provides a total of SEK 4 billion.

The strategy governs the use of funds under appropriation item 1:1.9 'Africa' in the appropriation directions for Sida for each budget year.

Activities will contribute to the following objectives.

### **Environment, climate and sustainable use of natural resources**

- Strengthened conditions for sustainable management and use of natural resources, including protection, conservation and restoration of biodiversity and its ecosystem services.
- Enhanced adaptation and strengthened resilience to climate change and environmental and natural disasters.
- Reduced climate impact, including increased access to renewable energy and higher energy efficiency.

### **Human rights, democracy, the rule of law and gender equality**

- Strengthened democracy and increased respect for human rights and the rule of law including reduced corruption.
- Greater gender equality, including access to and respect for sexual and reproductive health and rights.

### **Inclusive economic development**

- Improved opportunities for productive employment and decent work.
- Strengthened opportunities for productive and resilient agriculture, improved livelihood opportunities and food security.
- Strengthened systems for increased social protection.

### **Peaceful and inclusive societies**

- Strengthened conditions to prevent and manage crises and conflicts by peaceful means.

## Country context

Mozambique is one of the world's ten poorest countries. Inequalities are widening. Implementation of the 2019 peace agreement on disarmament, reintegration and decentralisation between the Government and Renamo, the largest opposition party, is ongoing but has been delayed. The COVID-19 pandemic and the conflict in the province of Cabo Delgado have resulted in increased poverty and vulnerability. The population is increasing rapidly, posing serious challenges to access to productive employment, decent work and social services. Formal education levels are amongst the lowest in the world. Approximately forty per cent of children under the age of five are chronically malnourished.

Mozambique is considered to be one of the world's most vulnerable countries to climate change, with recurring floods, droughts and cyclones. Climate change and impacts of environmental damage reduce the ability of households to cope with pressures. The majority of Mozambique's population living in poverty derive their main income from the use of natural resources, primarily in the agricultural sector. At the same time, natural resources are a source of conflict, and the risk of corruption related to rights to use natural resources is significant. Mozambique's humanitarian needs have increased rapidly due to both conflicts and natural disasters. Approximately 2.5 million Mozambicans are in need of humanitarian support and an estimated 800 000 people are internally displaced. Only one in three Mozambicans have access to electricity.

The human rights situation is concerning and the democratic space is reportedly shrinking. Corruption is widespread in all sectors of society and poses a serious obstacle to development and people's opportunities for security and influence. In 2016, it came to light that the Mozambican State had guaranteed loans worth USD 2.2 billion through government guarantees that had neither been made public nor approved by Parliament. Gender equality remains weak. Child marriage and sexual and gender-based violence remain commonplace in Mozambican society. Women's and girls' enjoyment of human rights and sexual and reproductive health and rights is weak. Moreover, the participation of women and young people in political and decision-making processes is limited.

The country's investment and business climate is weak partly because of the high level of corruption. The country's indebtedness is high. The investments in Mozambique's natural gas reserves and coal mines that many regarded as the solution to some of the economic problems have stalled due

to the reduced global demand for coal and the conflict in areas near gas deposits. The lack of productive employment and decent work is considerable and many experience food insecurity. Women and young people are underrepresented in the formal labour market.

Mozambique is facing a number of challenges that have a negative impact on human security. During the two years following the 2019 peace agreement, scattered attacks were carried out in the affected parts of the country by a breakaway faction of Renamo that declared its opposition to the agreement. Although this group has now disbanded, many of the problems that led to its emergence remain. During the same period, the conflict in Cabo Delgado escalated and became very violent. State capacity and local presence are weak and basic public services are substandard.

### **Activities**

Sida will carry out, monitor and report on activities in accordance with the Government's guidelines for Swedish development cooperation and humanitarian assistance strategies (UD2017/21053/IU). The guidelines state that analysis, learning and lessons learned must be an integral part of Sweden's development cooperation. There will be a focus on results in all stages of the strategy process. The supporting information will give a general account of the conditions for implementation and of how monitoring is intended to take place in the specific context. The annual strategy report will be comprehensive and include an account, analysis and assessment of the results of the activities in relation to the stated objectives. Performance information will be used for decision-making, learning and accountability, and for ensuring transparency towards the general public. Monitoring will produce reliable and useful performance information in both the short and long term by using both qualitative and quantitative information where possible. Performance monitoring will primarily establish whether activities have made a difference, in what way and for whom. Based on the existing conditions, monitoring will determine the extent to which development cooperation has made a difference.

Sweden's development cooperation contributes to sustainable development based on the 2030 Agenda, the financing for development commitments in the Addis Ababa Action Agenda and the Paris Agreement. The activities' contribution will be particularly relevant to the following sustainable development goals (SDGs) of the 2030 Agenda: no poverty (SDG 1), zero hunger (SDG 2), good health and well-being (SDG 3), gender equality (SDG

5), affordable and clean energy (SDG 7), decent work and economic growth (SDG 8), responsible consumption and production (SDG 12), climate action (SDG 13), life on land (SDG 15), peace, justice and strong institutions (SDG 16) and partnerships for the goals (SDG 17). Strategy reports to the Government will include references to how activities contribute to the implementation of the 2030 Agenda in relation to the strategy's priorities. Sweden's development cooperation as a whole will contribute to poverty reduction in the country, better conditions for democratic development and respect for human rights.

Activities will contribute to strengthening the rule of law, increasing transparency and accountability, and reducing corruption. Sweden should also contribute to strengthening the conditions for free and fair elections in accordance with democratic principles. Where possible and appropriate, activities will also focus on strengthening critical institutions.

To strengthen civil society organisations and independent media, support can be provided to change agents, including in cultural life. In the area of gender equality, activities should focus on increasing women's empowerment, influence and participation in political processes, and greater access to, and respect for, sexual and reproductive health and rights. Young people's inclusion and active participation should be supported. Activities may also contribute to strengthened conditions for the right to form and join trade unions and for trade union rights.

Development cooperation will contribute to strengthening the most vulnerable, for example by including the large number of people employed in small-scale farming. Activities may also include management of climate-related security risks, which are a major root cause of conflict. Activities will contribute to sustainable management and use of natural resources, including conservation and restoration of biodiversity and improved ecosystem services. Activities may also address the drivers of biodiversity and ecosystem loss. Development cooperation may also contribute to promoting a circular economy. Activities will also contribute to increased access to renewable energy, including production and increased energy efficiency. In these activities, Sweden should harness synergies between sustainable natural resource management and environmental, social and economic resilience. The mobilisation of climate finance should be scaled up, for example through guarantees.

Activities will contribute to productive employment and decent work with a view to, among other things, promoting labour market access for women and young people. Activities should also contribute to improving the conditions for a just transition through business, investments and the opportunity to take part in, and benefit from, free, fair and sustainable trade. Activities will contribute to building inclusive social protection systems.

There is a need for support for conflict resolution and stabilisation, and for lasting and sustainable peace and strengthened resilience to both conflict and climate change. Activities will contribute to creating conditions for conflict prevention, including by managing the root causes of conflict, and strengthening conditions for inclusive peace processes, democratisation and reconciliation. Opportunities for women's and young people's participation in processes should be strengthened.

Sweden's development cooperation will be relevant and effective. A clearer link between humanitarian measures, long-term development cooperation and peacebuilding should be sought. In the long run, activities must contribute to reducing dependency on humanitarian aid. Where relevant, the potential of digital transformation and innovation should be harnessed as a tool for achieving the objectives. Synergies will be sought between the different strategy areas and with activities within the framework of other relevant strategies for Sweden's development cooperation and humanitarian assistance.

Sweden's development cooperation should lay the foundation for broader and more self-sustaining relations between Sweden and Mozambique, and cooperation with the Swedish resource base should be deepened. Development cooperation will be adapted to prevailing circumstances, and will be flexible and fit-for-purpose.