Mozambique is one of the world’s poorest countries. Despite its impressive economic growth rates and the encouraging development progress made by the government in recent years, poverty continues to be severe and widespread. According to the national household survey conducted in 2008-2009, the number of Mozambicans living in absolute poverty had been reduced to 54 per cent from 70 per cent in 1997. However, the vast majority of the rural population still lives on less than US$1.25 a day and lacks basic services such as access to safe water, health facilities and schools.

Poverty is still predominantly a rural phenomenon in Mozambique. More than 70 per cent of poor households live in rural areas. Farming is their main source of food and income, but agricultural productivity is low. Farmers and fishers generally make enough to meet their households’ basic food requirements, with a small surplus for sale in some cases. Incomes from both farming and fishing are meagre, and most of the rural population survives at subsistence level.

The country’s low agricultural productivity is the result of a lack of appropriate technologies and supports. In addition, produce markets are generally distant,
unreliable and uncompetitive for smallholder farmers, who depend on traditional farming 
methods, low-yield seed varieties and manual cultivation techniques. Alternative sources 
of income outside agriculture are few. In times of scarcity, poor rural people have little to 
buffer them from food insecurity.

Within rural communities in Mozambique, women are particularly disadvantaged. They 
have considerably less access to education than men and, therefore, fewer skills. Health 
care is inadequate, and the number of women who die in childbirth is high.

Most rural women work in agriculture and play a crucial role in growing food crops 
and generating income for their families. Yet they have little access to, or control over, 
productive resources. Although the 1997 Land Law affirms that women should enjoy 
equal access to land, many women are unaware of their legal rights and those rights 
are not enforced in practice. At the same time, the number of women who head their 
households is rising rapidly. These women have limited land to farm and limited food 
security, and are highly vulnerable.

The central and northern provinces of Mozambique have greater agricultural potential, 
more fertile soil and more abundant rainfall than other parts of the country, and they 
generally produce agricultural surpluses. Moving from the central to the southern 
provinces, the climate becomes drier, the soil is poorer and natural disasters such 
as droughts and floods occur more frequently. These areas – together with coastal 
communities, which suffer extreme isolation – are the poorest in the country. Overall, 
poverty in rural Mozambique is marked by isolation, inadequate infrastructure and the 
consequent lack of access to goods and services. The road network is in very poor 
condition, and only about 60 per cent of rural people have access to safe water. Rural 
poverty is also closely related to lack of access to health care and education. Although 
the situation has improved over time, significantly more progress will be required to 
attain the health and education-related to the Sustainable Development Goals 3 and 4 
and improve access to other social services.
Eradicating rural poverty in Mozambique

In 2011, the Government of Mozambique launched a new Poverty Reduction Action Plan (Plano de Acção para Redução da Pobreza, or PARP). Its overriding goal is to reduce the incidence of poverty from nearly 55 per cent to 42 per cent by 2014. The plan focuses on pro-poor economic growth as the means of combating poverty and envisages three main thrusts for development activities:

- Increasing agricultural and fisheries production and productivity;
- Promoting employment opportunities;
- Improving access to quality social services.

The government recognizes the need to focus particularly on integrating the family farming and fishing sectors – smallholder agriculture and artisanal fisheries – into the national economy. The PARP framework helps set priorities for investment in these sectors and in rural finance. Other important sectoral documents include the following:

- Strategic Plan for Agricultural Development (2010-2019), which emphasizes the need to increase food and market-oriented production, and to promote market linkages and the sustainable management of natural resources;
- Strategic Plan for the Artisanal Fisheries Sector (2006-2015), which provides a vision for progressively upgrading from subsistence to commercial artisanal fishing through improved access to services and infrastructure, and an emphasis on participatory, community-based management of fishing resources;
- Rural Finance Strategy (2011), which promotes an inclusive financial system to serve the different segments of the rural population.

IFAD’s strategy in Mozambique

IFAD began operations in Mozambique in 1983 and has provided more than US$200 million in financing for 12 programmes and projects in the country. A country strategic opportunities programme (COSOP) approved in 2011 sets out a framework for the partnership between IFAD and the Government of Mozambique from 2011 through 2016. The COSOP builds on IFAD’s experience and lessons learned from past operations in the country, including notable successes in:

- Creating market linkages between small-scale producers and buyers;
- Facilitating the introduction of new technologies and services for fishing communities;
- Setting up savings and credit groups;
- Rehabilitating rural roads for better access to markets and services;
- Introducing important policy and legislative changes, such as the protection of artisanal fishing.

The country programme continues its strategic focus on supporting smallholder farmers and artisanal fishers. Its main target group comprises poor producers who have the potential to expand and commercialize their activities, with a special emphasis on disadvantaged groups such as women and young people. IFAD’s overriding goal in Mozambique is to help integrate these small-scale producers into profitable and accessible markets. To achieve this goal, it pursues three strategic objectives:

- Improving smallholder farmers’ and artisanal fishers’ access to technologies and services that increase productivity – by ensuring that farmers and fishers have secure rights to use key natural resources, supporting a strong natural resource management system and mitigating climate risks where possible;
Increasing access to and participation in markets for an equitable share of profits – by helping to develop economic infrastructure for the conservation, processing and marketing of produce, and building solid and equitable partnerships between small-scale producers and agribusinesses;

Increasing access to sustainable financial services in rural areas – by promoting an enhanced institutional and policy environment for rural finance, and supporting community-based services offering financial products specifically targeted to the needs of rural communities.

Moreover, IFAD engages in policy dialogue where relevant issues emerge from project operations, and it helps build the capacity of local stakeholders to participate in policy processes. IFAD’s country strategy is fully aligned with all the major strategies defining the framework for collaboration between the government and its development partners – including the Poverty Reduction Action Plan, United Nations Development Assistance Framework, Strategic Plan for Agricultural Development and Comprehensive Africa Agriculture Development Programme. Beyond its regular programme of work in Mozambique, IFAD also funds projects with small grants, including the following:

- Securing Artisanal Fishers’ Resource Rights Project (PRODIRPA), which aims to improve the livelihoods of artisanal fishing communities by strengthening their security over, and management of natural resources (Implementation: Institute for Development of Aquaculture and Fisheries, 2013-2016);

- Accelerate progress towards MDG 1C in Mozambique: “Halve between 1990 and 2015 the portion of people who suffer from hunger in Mozambique” by increasing food production, access to food and improving nutritional status of vulnerable people.
Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors (PROSUL)

This project’s objective is to improve the climate-smart livelihoods of smallholder farmers in the Maputo and Limpopo corridors, comprising 19 selected districts in Gaza, Inhambane and Maputo provinces. Its expected outcome is a sustainable increase in the incomes of farmers producing irrigated vegetables, cassava and livestock, including cattle, goats and sheep.

The project builds on the experience of initiatives supporting inclusive agribusiness value chains and farmers’ organizations, including the previous IFAD-financed Agricultural Markets Support Programme and the ongoing Rural Markets Promotion Programme. Its five components are horticulture, cassava, red meat, financial services, and institutional support and project management.

Activities supported by IFAD’s Adaptation for Smallholder Agriculture Programme (ASAP) are fully integrated into the project. They aim to make value chains resilient to the expected impacts of climate change – in particular, increased rainfall variability and the risks of droughts and flooding.

Artisanal Fisheries Promotion Project (ProPESCA)

This project builds on the experience of three artisanal fisheries projects implemented along the Mozambican coast, including the now completed Sofala Bank Artisanal Fisheries Project (PPABAS), which was financed by IFAD. In addition to other financing, it receives US$15.7 million in grant funding from the European Union through IFAD.

The goal of the project is to improve the incomes and livelihoods of artisanal fishers and their communities. To this end, it works to boost fishing productivity and subsequent sales sustainably, by increasing the quantity and value of the catch – and by improving all links in the value chain, up to the marketplace. Implementation focuses on four investment components:

- Supporting the development of higher-value fish;
- Improving market infrastructure;
- Developing financial services;
- Strengthening institutions and promoting policy initiatives.
The project area stretches along the entire coastline from the Tanzanian border in the north to the border with South Africa in the south. The project focuses, however, on key growth poles, each comprising a major fishing centre with links to other centres up and down the coast or on adjacent islands. These growth poles have strong potential for expanding fishing and fish marketing operations.

Wealth generated through small-scale fishing and other fishing-related activities, such as processing and trading, is an important factor in rural economies, particularly given that around 80 per cent of any catch is sold. Even so-called subsistence and semi-subsistence fishers sell a considerable share of their harvest to local traders. Hence, removing the obstacles that constrain the functioning of the fisheries value chain is expected to have a significant impact on the project’s target group and on poverty reduction.

Rural Markets Promotion Programme (PROMER)

This programme helps small-scale farmers in the northern region of the country, where two thirds of the rural population is poor. In addition to other financing, it receives US$9.9 million in grant funding from the European Union through IFAD.

Although this part of the country has good agricultural potential, farms there have some of the lowest yields in southern Africa. Poor returns from sales of their agricultural surpluses have led small-scale farmers in the region to fall back on semi-subsistence agriculture.

The programme builds on emerging opportunities for both domestic and export markets, and particularly for agribusiness investment, to improve the terms of trade for small-scale farmers. It helps small farming households make the transition from subsistence to market-oriented agriculture, achieving higher productivity and better market integration.
The target group includes small-scale, semi-subsistence farmers and other poor farmers, most of whom live below the poverty line. Women are an important part of the target group because of their disadvantaged position in society and in the economy, and because they are often the poorest members of the rural population.

The programme’s overall aim is to enable small-scale farmers to increase their incomes from agriculture by helping them market their surpluses more profitably. Its specific aims are to:

- Improve small-scale farmers’ access to and participation in agricultural markets and value chains;
- Develop more efficient market intermediaries and partnerships to stimulate increased agricultural production and added value;
- Create a more conducive environment for agricultural market operations.

The multisectoral programme is in line with the government’s poverty reduction strategy, and it coordinates with several public institutions at the national, provincial and district levels. It also works with farmers’ organizations and traders to improve market efficiency; introduces a demand-driven facility to advance commercial partnerships between small-scale farmers and agribusiness companies; and promotes development of a network of dealers in agricultural inputs.

**PRONEA Support Project**

This project supports the government’s National Programme for Agricultural Extension (PRONEA), operating in 42 districts throughout the country. In addition to other financing, it receives US$1.4 million in grant funding from the European Union through IFAD.

The goal of the project, which evolved from the now completed Agricultural Markets Support Programme, is to contribute to a reduction in absolute poverty and to an improvement in the quality of life of poor rural women and men.

Specifically, the project works to help subsistence farmers – particularly woman-headed and disadvantaged households – attain increased returns and improved household food security through increased production efficiency. This increase is to be achieved through wider access to effective technical support services focused on districts; better organized producer groups influencing the supply of services; and delivery of support services in response to requests.

The project promotes a new extension approach based on demand-driven service provision to guarantee the quality of services provided to farmers. Targeting small farming households, especially in the poorest localities, it ensures that disadvantaged groups such as women, young people, the elderly and people affected by HIV/AIDS are involved in project activities, which include:

- Introducing low-cost techniques and technologies to raise crop and livestock farmers’ productivity;
- Broadening access to technical support services, including outsourced services;
- Helping to establish farmers’ organizations;
- Building capacity within the agricultural sector.

**Total cost:** US$50.8 million  
**Approved IFAD loan:** US$20.0 million  
**Cofinancing: European Union:** US$1.4 million  
**Duration:** 2007-2017  
**Directly benefiting:** 140,000 households
Project for Promotion of Small-Scale Aquaculture (PROAQUA)

Financed by the European Union through IFAD, this project is implemented by the National Institute for the Development of Aquaculture and Fisheries, which aims to increase the consumption and sale of fish by small-scale fisher households in four districts of Manica and Sofala provinces. The project’s overall goal is to improve the livelihoods and food security of poor households involved in fish farming. It supports aquaculture development by building fish farmer groups and providing technical support, training and start-up packages, and access to rural finance services through savings and credit groups.

Total cost: US$3.2 million
European Union grant: US$2.8 million
Duration: 2013-2017
Directly benefiting: 1,400 households