



The Department for International Development (DFID) leads the UK's global efforts to end extreme poverty, deliver the Global Goals for Sustainable Development (SDGs) and tackle a wide range of global development challenges. The UK's focus and international leadership on economic development is a vital part of Global Britain - harnessing the potential of new trade relationships, creating jobs and channelling investment to the world's poorest countries. Throughout history, sustained, job-creating growth has played the greatest role in lifting huge numbers of people out of grinding poverty. This is what developing countries want and is what the international system needs to help deliver. Whilst there is an urgent need for traditional aid in many parts of the world, ultimately economic development is how we will achieve the Global Goals and help countries move beyond the need for aid.

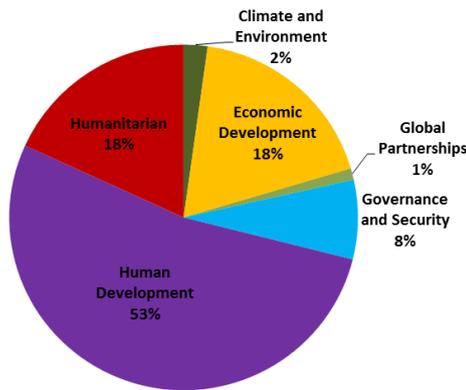
Planned budget for 2018/19

£47m

Planned budget for 2019/20

£45m

**Sector breakdown of 2018/19 bilateral plans**



**Top 3 planned spending programmes in 2018/19 (as at 9<sup>th</sup> May 2018)**

Improving Reproductive Maternal and Child Health (RMCH) outcomes in Mozambique	£11.9m
Supporting the Transformation of Rural WASH Service Delivery in Mozambique	£9.6m
Humanitarian Response to El Nino in Mozambique	£7.2m

**Contribution to the Global Goals and other government commitments (achieved as at March 2018)\***

**56 thousand** children supported to gain a decent education

**384 thousand** people with sustainable access to clean water and/or sanitation

**299 thousand** children under 5, women and adolescent girls reached through nutrition related interventions

**329 thousand** additional women and girls using modern methods of family planning

**Headline deliverables**

- **Humanitarian and building resilience to crises:** We are strengthening Mozambique's systems and capacity to respond to floods and droughts. In 2017, the UK provided humanitarian assistance to 250,000 people affected by El Nino.
- **Economic development:** We will improve access to financial services for 2 million people, access to solar power for 2 million people, support 20,000 businesses and create jobs for 25,000 young people.

**Why DFID is investing in Mozambique**

Mozambique is strategically placed to drive growth across southern Africa. It is rich in natural resources, with huge offshore gas deposits and significant agricultural potential. After the end of the civil war in 1992, Mozambique initially made good progress, but growth and development have stalled and it remains one of the poorest countries in the world: almost 70% of the population live on less than £2 a day; the rate of early pregnancy is amongst the highest in the world, half of children are malnourished and over half do not finish primary school. Conflict, weak government, high levels of corruption and a growing risk of radicalisation threaten Mozambique's stability. There is a window of opportunity to put Mozambique back on track, to address deep rooted poverty which threatens stability, to tackle corruption and to strengthen governance in

\* Results less than 1 million are rounded to the nearest thousand. Results over 1 million are rounded to the nearest hundred thousand.

order to prepare it for the arrival of natural resource revenues in ten years time.

### **How will the UK respond to opportunities and challenges?**

We will focus on the poorest, delivering tangible and quick results. Our humanitarian programme reaches people affected by natural disasters. We will build the capability of the government to provide targeted support to the most vulnerable, reducing dependence on humanitarian aid. Our water and sanitation, nutrition and health programmes target the poorest regions, using methods that strengthen internal processes and providing funds based on achievement of results to deliver good value for money. We will support citizens to hold the government to account, to tackle corruption and to drive improvements in service delivery.

Looking to the longer term, we will focus on improving the ability of government to manage its economy and support growth and job creation. New programmes will focus on strengthening public financial management and taxation systems. Our economic management and financial sector programmes address key constraints to growth and our investments in skills development will provide employment opportunities, especially for young people.

### **What is being achieved for the UK?**

A stable and prosperous Mozambique is in the UK's strategic interests. Investing now will mitigate against the need for more costly humanitarian responses to conflict and disaster later. British companies have a strong stake in the offshore gas and extractives sectors: contracts worth billions of dollars will be awarded to UK companies involved in a huge offshore natural gas project in northern Mozambique. In the medium term, Mozambique has the potential to be an important trading partner, with a growing population and rising incomes generating new opportunities for the UK. With its long coastline and rich resources, the country also has a role to play in promoting growth and stability across southern Africa (which includes six Commonwealth countries and Zimbabwe) reinforcing wider UK interests.

### **Partners**

- In 2016, the UK suspended all funding to the government when illegal loans were uncovered. The case for resuming tightly focused funding to government in areas such as tax reform and basic services will be reviewed against evidence of government reforms and good value for money.
- UK aid in Mozambique is delivered through multilateral agencies (the World Bank and United Nations), non-governmental organisations and private sector contractors.
- All funding to private sector service contractors is linked to specific delivery targets or results based contracts. All contracts are robustly negotiated and monitored.
- Programmes are closely monitored with staff visiting projects in the field regularly. DFID staff meet with partners every quarter to discuss progress. We hold quarterly programme reviews to assess results, closing or reallocating funding if needed.
- Multi-country programmes managed by DFID Headquarters complement our country office resources, covering important areas such as education, neglected tropical diseases and private sector development.