

Data Sheet

USAID Mission:	Mozambique
Program Title:	Rural Incomes
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	656-006
Status:	Continuing
Planned FY 2005 Obligation:	\$11,367,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$12,088,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2009

Summary: USAID's rural income program in Mozambique integrates development assistance with P.L. 480 Title II resources to help poor rural households raise incomes and improve food security and nutrition. This is accomplished through the provision of technical assistance and training to: (1) increase farmers' productivity, sales, and income; (2) expand rural enterprises by ensuring access to financing and trade opportunities; and (3) improve market access for farmers and rural enterprises through road rehabilitation, construction, and maintenance.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$1,800,000 DA). USAID is delivering financial and technical assistance to the Ministry of Agriculture (MinAg) during the inception year of the second phase of the multi-donor agricultural reform program (ProAgri II). ProAgri II is a five-year agriculture reform initiative. USAID's assistance ensures that ProAgri II's operational plan is designed and implemented to foster improvements in national-level agricultural policies as well as economically viable agricultural research and extension services. Budget support to the Government of Mozambique Ministry of Agriculture through program assistance and project support through principal contractors and grantees: Michigan State University (prime), and others to be determined.

Increase Private Sector Growth (\$3,475,000 DA). USAID will award a grant in 2005 to deliver business development services to farmer associations and rural enterprises and provide training in marketing and management skills. Principal grantees: CLUSA, Technoserve, and Agriculture Cooperative Development International/Volunteers in Overseas Cooperative Assistance (all prime), and others to be determined.

Strengthen Financial Sector's Contribution to Economic Growth (\$782,000 DA). USAID has a contract for technical assistance for rural financial sector expansion and intends to contribute \$200,000 to the Development Credit Authority (DCA) which will leverage up to \$8 million in commercial financing to rural enterprises. Principal contractor: Deloitte-Touche (prime).

Expand and Improve Access to Economic and Social Infrastructure (\$2,110,000 DA). USAID is providing technical assistance and training in support of a road maintenance concession for the USAID-rehabilitated Caia-Gorongosa all-weather road. USAID is expanding the tertiary road network along the Beira Corridor, which runs from Beira to the country's western border. The program is creating opportunities for the local private sector to take advantage of the area's economic growth potential. Finally, USAID is introducing a technology for road construction that will improve the quality of Mozambican roads and reduce the costs of maintenance. Principal grantees: World Vision (prime), and others to be determined.

Increase Agricultural Productivity (\$2,740,000 DA). USAID is helping Mozambican researchers apply science and technology to remove the constraints faced by Mozambican farmers. To support the President's Initiative to End Hunger in Africa (IEHA), USAID is building the capacity of the National Agricultural Research Institute and providing advice on decentralizing authority and responsibility to two agricultural zonal research centers. USAID is providing technical assistance and equipment to these research centers to bring the newly-adapted technologies to farmers. Principal grantees: Michigan State

University, World Vision, Food for the Hungry, Save the Children, CARE International, Adventist Development Relief Agency (ADRA), and Africare (all prime).

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$460,000 DA). Responding to numerous natural and manmade disasters faced by rural Mozambican families, USAID is providing technical assistance to the National Secretariat for Agriculture and Nutrition, which will provide the GRM, USAID, and other donors with continual risk assessment and food security data for quick responses to emergency situations. Principal contractors and grantees: FEWSNET, World Vision, Food for the Hungry, Save the Children, CARE, ADRA, and Africare (all prime).

FY 2006 Program: Improve Economic Policy and Governance (\$2,015,000 DA). USAID anticipates signing a program assistance agreement in support of ProAgri II. Funding and technical assistance will be provided to MinAg for strengthening institutional capacity in policy analysis and agricultural research. Principal contractors and grantees: Same implementers as above.

Increase Private Sector Growth (\$3,270,000 DA). USAID will expand its partnership with CLUSA by replicating the producer-owned trading company model in other geographic areas. USAID also will continue to provide technical assistance in management and marketing to farmers and rural enterprises. Principal grantees: Same implementers as above.

Strengthen Financial Sector's Contribution to Economic Growth (\$595,000 DA). USAID will provide technical assistance to enterprises and commercial banks in support of the DCA activity initiated in 2005. Principal contractor: Deloitte-Touche (prime).

Expand and Improve Access to Economic and Social Infrastructure (\$2,666,000 DA). USAID will continue to implement its tertiary road-building program in the Beira Corridor. USAID also will provide technical assistance to both the public and private sectors to implement additional concessions for both road development and road maintenance. Principal grantees: Same implementers as above.

Increase Agricultural Productivity (\$2,762,000 DA). Under IEHA, USAID plans to adapt one new agricultural technology in 2006 through continued assistance to the National Agricultural Research Institute and the agricultural zonal research centers. Principal grantees: Same implementers as above.

Protect and Increase the Assets and Livelihoods of the Poor During Periods of Stress (\$780,000 DA). USAID technical assistance will enable the National Secretariat for Agriculture and Nutrition to provide continual risk assessment and food security data. Current food security programs will be closing out at the end of FY 2006. Principal grantees: Same implementers as above.

Performance and Results: USAID's efforts to transmit nutrition messages to mothers with low education levels are making a difference, with stunting in some USAID target areas decreasing from 41% in 2002 to 38% in 2004. Families aided by USAID's food security programs in four provinces increased the number of months a family can feed itself from what it produces by an average of 1.25 months between August 2002 and November 2004. Using newly-introduced "best practices," farmers in coastal areas of Nampula Province harvested up to 69% more maize per hectare in 2004 than they had in 2002. Every hectare of land planted with maize translates into increased income of about \$65, equal to a five-month supply of food for a Mozambican household. The revenues of USAID-assisted rural enterprises increased from \$2,438,000 in FY 2003 to \$7,736,270 in FY 2004. In 2004, USAID completed the reconstruction of a major bridge and 132 kilometers of roads, thus providing thousands of Mozambicans improved year-round access to markets and businesses. USAID provided technical and management training led to 12 local firms obtaining certification as licensed construction contractors. By the end of this strategy, USAID will have significantly increased the incomes of rural households in target areas, decreased the incidence of stunting among children USAID is reaching, increased the number of months of food security in target areas, and improved market access for farmers and rural enterprises.

US Financing in Thousands of Dollars

Mozambique

656-006 Rural Incomes	DA
Through September 30, 2003	
Obligations	17,571
Expenditures	0
Unliquidated	17,571
Fiscal Year 2004	
Obligations	15,781
Expenditures	3,104
Through September 30, 2004	
Obligations	33,352
Expenditures	3,104
Unliquidated	30,248
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	11,367
Total Planned Fiscal Year 2005	
Obligations	11,367
Proposed Fiscal Year 2006 NOA	
Obligations	12,088
Future Obligations	27,993
Est. Total Cost	84,800