



COUNTRY PROFILE



USAID is working with small businesses like Miranda to improve the quality of both raw and processed cashew kernels and attract investors. Using local labor, the company in 2002 rebuilt the ruins of a building bombed during the civil war to use as a plant. The plant now employs dozens of previously unemployed workers, including these women.

MOZAMBIQUE SNAPSHOT

Date of independence: 1975
Population: 19.1 million (2004)
Income per person: \$250 (yr)
Source: World Bank Development Indicators

USAID IN MOZAMBIQUE

www.usaid.gov/mz

OVERVIEW

Mozambique is one of the few countries in Africa that has successfully made the transition from long-term colonial and civil war to long-term peace and democracy. In December 2004, Mozambique held free-and-fair presidential and parliamentary elections for the third time since 1992, resulting in another peaceful transition to a new government. The country's transition to a market-led democracy has been progressing at a steady pace. Mozambique's status as an essential link to global markets for several landlocked neighboring countries and the potential for growth in its economic ties to the industrial heartland of South Africa underscore the fact that the country's successful economic, political, and social transitions are vital to the interests of peace, stability, and economic growth throughout Southern Africa. USAID programs in health, democracy, agriculture, and economic growth seek to increase these successes.



PROGRAMS

RAISING RURAL INCOMES

Poverty rates in Mozambique are dropping, going from 69 percent of households living in poverty in 1997 to 54 percent in 2003, but there is still a long way to go. USAID is increasing household incomes by increasing farmers' productivity, ensuring access to trade opportunities, and improving market access for farmers and rural enterprises through road rehabilitation, construction, and maintenance. USAID is teaching farmers to induce pineapple to flower out-of-season, increasing profits-per-hectare from \$1,200 to \$3,800, and more than tripling incomes. Local road construction companies trained by USAID successfully competed for over \$2 million in new construction contracts.

INCREASING TRADE AND INVESTMENT

Mozambique has sustained strong economic growth, with GDP growth of 7.5 percent in 2004 and 7.7 percent in 2005. The outlook for future growth remains positive. In FY 2005, Mozambican exports grew by 15 percent; however, when exports from mega-projects (aluminum smelting, hydroelectric power plant, and natural gas) are excluded, exports of Mozambican goods grew by only 3 percent, offering evidence of a poorly diversified export base. USAID's program to increase labor-intensive exports removes

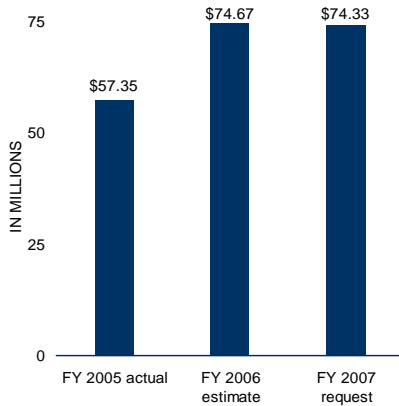


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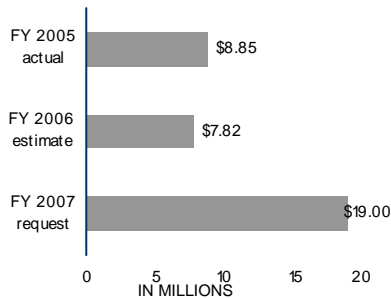
MOZAMBIQUE

COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO MOZAMBIQUE



USAID FOOD AID TO MOZAMBIQUE



For more information, see the
FY2007 Congressional Budget Justification
<http://www.usaid.gov/policy/budget/>

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constraints to investment and trade by helping the Government of Mozambique and the private sector to increase international market access for Mozambican products, enhance Mozambique's competitiveness by reducing the cost of doing business, and increase tourism and exports in specific sectors such as horticulture. USAID's partnership with the Confederation of Mozambican Business Associations led to the preparation of a new labor law, currently under consideration by the government, and the organization's advocacy efforts influenced steps ultimately taken by the government to reduce the number of days required to register a business from 153 to 139. Import/export clearance times have also improved from 15 to three days.

IMPROVING HEALTH OF WOMEN AND CHILDREN

Despite having some of the worst health indicators in Africa, Mozambique is making significant progress in reducing mortality rates and improving access to primary health care interventions. USAID and the Ministry of Health are working together to build the capacity of the public health system, improve maternal and child health and nutrition, and ensure that basic quality health services are increasingly accessible to the rural poor. USAID delivered maternal health, antenatal care, and health education services to 529 remote villages. USAID also donated 12 ambulances, 32 base-station radios and 260 bicycle ambulances to health facilities. The bicycle ambulances alone transported 1,679 sick children and 1,233 pregnant women to health facilities in 2005. As a first step to expanding malaria prevention activities, USAID procured and distributed 8,500 insecticide treated nets to pregnant women and mothers of children under five-years old.

STRENGTHENING DEMOCRACY AND MUNICIPAL GOVERNANCE

Improvements in municipal governance offer the best opportunity to close the gaps between Mozambican citizens, their local and national governments, and civil society. It is essential that municipal governments, civil society, and individual citizens get the skills and opportunities to work effectively together in identifying and addressing agreed upon priorities. USAID is providing civic education to improve citizen understanding of their rights and responsibilities as well as their general awareness of municipal government authorities and actions. USAID created a public record of land values that will be the basis for a new tax system in the municipality of Vilankulo. On-going support to the Central Office for the Combat of Corruption and USAID's partnership with Mozambique's leading anti-corruption organizations led to increased public awareness and to investigation of 180 corruption cases, 80 of which are being prosecuted.