

The Challenge

USAID's program in Mozambique helps sustain positive economic growth and accelerate poverty reduction. Mozambique, USAID, and donors agree on development priorities: HIV/AIDS; increasing agricultural production and marketing; liberalizing the economy to attract investment and create jobs; improving health status; and governance. USAID technical assistance and training address each priority. HIV/AIDS treatment, care, and prevention programs reach ever greater numbers of Mozambicans. Small farmers increase their incomes and food security by producing and selling more. Mozambican enterprises create jobs and reach markets as the economy is liberalized. Families enjoy the benefits of better health care. Pressure is mounting on the government to curb corruption. USAID assistance complements much of the budget support to priority sectors from the twenty-plus donors. USAID programs in Mozambique promote gender equity, reduce corruption, build capacity, and prevent the spread of HIV/AIDS.

Objectives, Sectors and Workforce

Mission Director: Jay Knott

MCA Status: Compact Eligible

PEPFAR Focus Country: Yes

Provided or Received Services From Other Missions: Received

Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
656-006 Rural Incomes	15,780	10,767	8,806	9,759	-38.2%	1.41	Exceeded
656-007 Exports	6,981	4,411	2,509	2,644	-62.1%	0.97	Met
656-008 Maternal and Child Health	9,830	13,430	17,361	15,929	62.0%		0.14
656-009 HIV/AIDS	15,591	26,489	45,002	45,002	188.6%		0.09
656-010 Municipal Governance	2,211	2,257	992	1,000	-54.8%		0.42
PL 480 Title II not Allocated to a Strategic Objective	19,751	8,850	7,816	19,000	-3.8%		
Country Total	70,144	66,204	82,486	93,334	33.1%		

Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund	20,380	13,430	17,361	15,929	-21.8%
Development Assistance	24,572	17,435	12,307	13,403	-45.5%
Economic Support Fund	400	0	0	0	N/A
Global HIV/AIDS Initiative	5,041	26,489	45,002	45,002	792.7%
PL 480 Title II	19,751	8,850	7,816	19,000	-3.8%
Total	70,144	66,204	82,486	93,334	33.1%

Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Agriculture and Environment DA	15,280	11,367	10,289	11,359	-25.7%
Economic Growth DA	7,481	3,811	1,026	1,044	-86.0%
Human Rights DA	0	250	0	0	N/A
Democracy and Governance DA	1,811	2,007	992	1,000	-44.8%
ESF	400	0	0	0	N/A
Family Planning / Reproductive Health CSH	4,600	5,600	5,536	4,767	3.6%
HIV / AIDS CSH	10,550	0	0	0	N/A
GHAI	5,041	26,489	45,002	45,002	792.7%
Child Survival and Maternal Health CSH	3,500	4,500	4,350	4,600	31.4%
Other Infectious Diseases CSH	1,730	3,330	7,475	6,562	279.3%
PL 480 Title II not Allocated to a Sector	19,751	8,850	7,816	19,000	-3.8%
Total	70,144	66,204	82,486	93,334	33.1%

Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	10	13	15	13	30.0%
US Non Direct Hires	11	11	14	13	18.2%
Foreign Nationals	108	103	112	112	3.7%
Total	129	127	141	138	7.0%

Operating Expense

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	2,297	1,903	2,424	2,614	13.8%
Travel	307	411	452	452	47.2%
Transportation of things	68	179	168	168	147.1%
Rent	1,093	822	895	707	-35.3%
Security	381	319	270	270	-29.1%

Equipment	92	266	165	165	79.3%
ICASS - Operating Expense only	178	137	142	142	-20.2%
Other Operating Expense	1,658	656	540	538	-67.6%
Total OE Budget	6,074	4,693	5,056	5,056	-16.8%
US direct hire salary and benefits	1,451	1,741	1,711	1,604	10.5%
Program Funded Administrative Expenses				2,804	
Country Total Administrative Budget				9,464	
Percent of Bureau OE Total				6.6%	

Mission Summary

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	7,014	5,093	5,499	7,180
Program per All US (\$000)	3,340	2,759	2,844	3,590
Program per Position (\$000)	544	521	585	676
Operating Expense as % of Program Funding				5.4%
Program Funded Admin Expense as % of Total Admin				29.6%
Total Admin Expense as % of Program Funding				10.1%

Other Major Donors:

Bilateral: United Kingdom, Japan, the Netherlands, Norway, Sweden.

Multilateral: World Bank, European Union, United Nations Development Program.

Mozambique PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	20,380	13,430	17,361	15,929
Development Assistance	24,572	17,435	12,307	13,403
Economic Support Fund	400	0	0	0
Global HIV/AIDS Initiative	5,041	26,489	45,002	45,002
PL 480 Title II	19,751	8,850	7,816	19,000
Total Program Funds	70,144	66,204	82,486	93,334

STRATEGIC OBJECTIVE SUMMARY

656-006 Rural Incomes				
DA	15,780	10,767	8,806	9,759
656-007 Exports				
DA	6,981	4,411	2,509	2,644
656-008 Maternal and Child Health				
CSH	9,830	13,430	17,361	15,929
656-009 HIV/AIDS				
CSH	10,550	0	0	0
GHAI	5,041	26,489	45,002	45,002
656-010 Municipal Governance				
DA	1,811	2,257	992	1,000
ESF	400	0	0	0

Mission Director,
Jay Knott

Mozambique

The Development Challenge

USAID's program in Mozambique helps sustain positive economic growth and accelerate poverty reduction. Mozambique, USAID, and donors agree on development priorities: HIV/AIDS; increasing agricultural production and marketing; liberalizing the economy to attract investment and create jobs; improving health status; and governance. USAID technical assistance and training address each priority. HIV/AIDS treatment, care, and prevention programs reach ever greater numbers of Mozambicans. Small farmers increase their incomes and food security by producing and selling more. Mozambican enterprises create jobs and reach markets as the economy is liberalized. Families enjoy the benefits of better health care. Pressure is mounting on the government to curb corruption. USAID assistance complements much of the budget support to priority sectors from the twenty-plus donors. USAID programs in Mozambique promote gender equity, reduce corruption, build capacity, and prevent the spread of HIV/AIDS.

Other Major Donors

Bi-Lateral Donors: United Kingdom, Japan, the Netherlands, Norway, Sweden.

Multi-Lateral Donors: World Bank, European Union, United Nations Development Program.

Data Sheet

USAID Mission:	Mozambique
Program Title:	Rural Incomes
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	656-006
Status:	Continuing
Planned FY 2006 Obligation:	\$8,806,000 DA
Prior Year Unobligated:	\$28,000 DA; \$181,000 DCA
Proposed FY 2007 Obligation:	\$9,759,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2009

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

Inputs, Outputs, Activities:

FY 2006 Program:

Expand and Improve Access to Economic and Social Infrastructure (\$1,100,000 DA). USAID is improving 750 kilometers of tertiary roads and training an additional four road construction firms (for a total of 17). USAID estimates approximately 800,000 Mozambicans will benefit - directly and indirectly - from the year-round access to markets, health centers, and schools. Principal contractors and grantees: World Vision (WV) (prime).

Improve Economic Policy and the Business Environment (\$1,100,000 DA). The conditions for continued support to the Ministry of Agriculture's (MinAg) Sector Investment Program were not met in FY 2005, nor are they expected to be met in FY 2006. USAID is therefore shifting away from direct sectoral budget support to the MinAg, and instead will establish an agricultural research fund as part of the President's Initiative to End Hunger in Africa (IEHA). USAID is working with the public and private sectors to develop the capacity to collect, analyze, and disseminate data on rural incomes and agriculture issues for use in agricultural policy making. This will include scholarships for Mozambicans to complete graduate studies in economics and trade in South Africa. Principal contractors and grantees: Michigan State University (prime), African American Institute, others to be determined (TBD).

Improve Private Sector Competitiveness (\$1,820,000 DA). With IEHA funding, USAID is helping to make four agriculture sub-sectors more competitive: horticulture, confectionary nuts and seeds, feed grains and poultry and forestry. Assistance is creating opportunities for targeted agribusinesses to diversify into revenue-enhancing export crops, improve productivity and crop quality, expand the use of appropriate agricultural inputs, and reduce production costs. USAID is teamed with the public and private sectors to address bio-security issues, especially avian influenza. USAID is also awarding scholarships to young Mozambican entrepreneurs for commercial and technical agricultural training. Principal contractors and grantees: Technoserve, Cooperative League of the USA, and Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (all prime).

Increase Agricultural Sector Productivity (\$1,620,000 DA). Under IEHA, USAID is strengthening the capacity of the agriculture research system to rapidly adapt agricultural technologies to significantly improve food security and reduce rural poverty by increasing yields, upgrading processing, and reducing post-harvest losses. USAID is enhancing farmers' access to productive agricultural inputs by promoting private sector marketing of fertilizer, seed, and crop protection products. USAID will competitively award grants to Mozambican scientists for adaptive agricultural research that will benefit Mozambican farmers. USAID's assistance will ensure that disease resistant seeds and varieties for key food crops are available to poor farming families, thus providing them with greater overall food security. Principal contractors and

grantees: Michigan State University, WV, CARE, and Africare (all prime).

Increase Trade and Investment (\$1,650,000 DA; \$181,000 prior year DCA; \$28,000 prior year DA). USAID allocated \$200,000 to leverage a four million dollar Development Credit Authority (DCA) program with a large Mozambican commercial bank (BCI Fomento). A further \$200,000 in subsidies will be transferred to the DCA account for additional DCA activities, with an estimated portfolio of \$5 million. The increased access to financing will allow viable agribusinesses to rapidly expand their operations, create new jobs, and increase market opportunities and incomes for smaller-scale producers. USAID's Rural Finance Advisor continues to advise the Ministry of Industry and Commerce (MIC) on how best to improve the trade and investment climate. Principal contractors and grantees: BCI Fomento, others TBD.

Protect and Increase the Assets and Livelihoods of the Poor (\$1,516,000 DA). Under IEHA, USAID links DA and Title II to small farmers to boost productivity and enable them to better market their increased production by: testing technologies that reduce post-harvest losses; adopting drought/pest resistant plant varieties; adopting integrated pest management technologies; implementing technologies to conserve soil and water; and improving nutrition, hygiene, and sanitation. USAID's disaster warning and mitigation activities continue to improve Mozambique's cyclone/flood warning systems. Principal contractors and grantees: Chemonics, WV, CARE, and Africare (all prime).

FY 2007 Program:

Expand and Improve Access To Economic and Social Infrastructure (\$1,500,000 DA). USAID may expand road rehabilitation activities into new areas. Principal contractors/grantees: same as above.

Improve Economic Policy and the Business Environment (\$1,000,000 DA). USAID will continue aid to the public and private sectors to develop the capacity to collect, analyze, and disseminate data on rural incomes and agriculture for use in informed policy making. Principal contractors/grantees: same as above.

Improve Private Sector Competitiveness (\$1,998,000 DA). USAID will continue business development activities to include new sectors. USAID will help to improve the quality of education at private Mozambican agricultural colleges. Principal contractors and grantees: same as above.

Increase Agricultural Sector Productivity (\$1,300,000 DA). USAID will continue its research grant fund and work with the national agricultural research system to promote the adoption of appropriate agricultural technologies. Principal contractors and grantees: same as above.

Increase Trade and Investment (\$1,848,000 DA). USAID will continue support to various government ministries to improve Mozambique's trade and investment climate. Principal contractors and grantees: same as above.

Protect and Increase the Assets and Livelihoods of the Poor (\$2,113,000 DA). USAID will assist small farmers to improve productivity and will build upon disaster mitigation activities to incorporate risk management into agricultural research. To protect biodiversity, USAID will promote farming techniques that discourage slash-and-burn agricultural practices. Principal contractors/grantees: same as above.

Performance and Results: USAID's efforts in the areas of technology adaptation are succeeding, enabling poor farm families to increase production and incomes and improve nutrition. USAID-supported research led to the adaptation of a sweet cassava variety tolerant to cassava brown streak and is leading to net benefits of \$75 per hectare planted. USAID partners introduced a technology allowing farmers to induce pineapple flowering out-of-season, increasing profits-per-hectare from \$1,200 to \$3,800, and more than tripling incomes. USAID increased the financing available to rural enterprises, leading to better-than-expected performance of the cashew processing sector, given the drought conditions that resulted in less raw cashews being available for processing. By the program's end in FY 2009, USAID will have significantly increased the rural household income in target areas, improved market access for farmers and rural enterprises, decreased stunting among children USAID is reaching, and increased the number of months of food security in target areas.

US Financing in Thousands of Dollars

Mozambique

	DA	DCA
656-006 Rural Incomes		
Through September 30, 2004		
Obligations	33,352	0
Expenditures	3,104	0
Unliquidated	30,248	0
Fiscal Year 2005		
Obligations	11,162	0
Expenditures	14,066	0
Through September 30, 2005		
Obligations	44,514	0
Expenditures	17,170	0
Unliquidated	27,344	0
Prior Year Unobligated Funds		
Obligations	28	181
Planned Fiscal Year 2006 NOA		
Obligations	8,806	0
Total Planned Fiscal Year 2006		
Obligations	8,834	181
Proposed Fiscal Year 2007 NOA		
Obligations	9,759	0
Future Obligations	17,988	0
Est. Total Cost	81,095	181

Data Sheet

USAID Mission:	Mozambique
Program Title:	Exports
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	656-007
Status:	Continuing
Planned FY 2006 Obligation:	\$2,509,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$2,644,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2009

Summary: USAID's program to increase labor-intensive exports will remove constraints to investment and trade by providing technical assistance, training, and capacity building to the Government of Mozambique and the private sector to: (1) increase international market access for Mozambican products; (2) enhance Mozambique's competitiveness by reducing the cost of doing business; and (3) increase exports in specific sectors such as tourism, and potentially wood and horticulture. Activities will improve the country's trade policies, create a more supportive enabling environment, and directly increase exports in target sectors.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Economic Policy and the Business Environment (\$526,000 DA). USAID continues to provide long- and short-term technical assistance to the Confederation of Mozambican Business Associations (CTA) that is strengthening the organization's capacity to advocate for a more liberal business environment. USAID assistance facilitates the preparation, dissemination, and public debate of policy recommendations on economic and business conditions. Included in this work is proposed legislation such as a new labor law and issues ranging from land marketability, access to credit, and elimination of red tape to timely government payments and tax reform. Progress in these areas will make Mozambique more attractive to domestic and international investors. Principal contractor and grantee: Nathan Associates, Inc. and the CTA (both prime).

Improve Private Sector Competitiveness (\$1,483,000 DA). USAID began implementation of a tourism activity that provides long- and short-term technical assistance to a coalition of private sector tourism operators and the Ministry of Tourism. USAID's assistance is helping Mozambique market itself as a tourist destination and fostering policy reforms in areas such as air transport that lower costs in the sector and stimulate tourist arrivals. Tourist destinations will be environmentally protected through the creation of (1) a nature reserve on Lake Niassa that protects the lake's unique ecosystem (the world's only surviving freshwater corals and 700 species of fish unique to the lake); (2) a wildlife sanctuary in Gorongosa National Park through a Global Development Alliance; and (3) the Pemba Bay Commission, a joint effort by the private sector, non-government organizations, and local and national government officials to manage development in and around the bay. These activities will create immediate local employment and build local capacity. Principal contractors and grantees: Nathan Associates Inc., World Wildlife Fund, The Carr Foundation (primes) and The George Washington University (sub).

Increase Trade and Investment (\$500,000 DA). USAID provides long- and short-term technical assistance to the Ministry of Industry and Commerce (MIC) to conduct trade analyses as well as formulate and implement better trade strategies. With USAID technical assistance, MIC is simplifying rules related to commercial and industrial licensing and introducing a simple and effective competition law to facilitate investment, especially in labor-intensive export industries. Principal contractors and grantees: Nathan Associates, Inc. (prime)

FY 2007 Program:

Improve Economic Policy and the Business Environment (\$544,000 DA). USAID will continue to provide

technical assistance and institutional support to CTA to strengthen its role as the preeminent private sector voice for policy changes that will increase growth in the private sector and in the economy in general. Principal contractors and grantees: CTA (prime).

Improve Private Sector Competitiveness (\$1,600,000 DA). USAID will provide long- and short-term technical assistance to the Ministry of Tourism and the coalition of private tourism operators to make Mozambique a more attractive and competitive international tourist destination. A major component of this assistance will ensure the protection of a variety of ecosystems. USAID also plans to identify additional labor-intensive sectors that it can support and stimulate. Likely candidates include the wood sector and horticulture, which also offer links to small farmers and agribusinesses assisted by USAID's rural income program. Principal contractors and grantees: Nathan Associates, Inc. (prime) and others to be determined.

Increase Trade and Investment: (\$500,000 DA). USAID will provide long- and short-term technical assistance to MIC to strengthen its participation in the Integrated Framework for Trade Capacity Building and in the Southern Africa Development Community free trade area negotiations. Principal contractors and grantees: Nathan Associates, Inc. (prime)

Performance and Results: In FY 2005, Mozambican exports grew by 15%; however, when exports from mega-projects (aluminum smelting, hydroelectric power plant, and natural gas) are excluded, exports of Mozambican goods grew by only 3%, offering evidence of a weak and poorly diversified export base that is partly the result of constraints in the business environment. There have been some positive responses to this challenge. In 2005, Mozambique ratified a Bilateral Investment Treaty with the United States. CTA's lobbying efforts, with USAID's backing, resulted in a modest drop in the number of days to start a business, from 153 to 139 days - just shy of the 135 target. USAID support to the MIC in preparing its application for inclusion in the Integrated Framework for Trade Capacity Building (IF) paid off and Mozambique is now benefiting from IF assistance. Trade is being mainstreamed into the country's new Poverty Reduction Strategy Paper and USAID is leading the coordination of trade-related technical assistance. USAID supported elections within CTA that resulted in new leadership and a reinvigorated organization. CTA subsequently drafted a new labor law for consideration by the tri-partite Labor Consultative Commission. The new law is expected to be approved in early 2006, resulting in increased flexibility in the labor market and greater absorption of workers seeking jobs. By the end of the program in FY 2009, USAID will have attracted new investments in targeted labor-intensive sectors through the combination of new openness to trade, lower transaction costs, and dynamic responses in selected sectors. The Mozambican government will also have achieved important policy milestones that create the conditions for increases in productivity, employment, and exports.

US Financing in Thousands of Dollars

Mozambique

	DA	ESF
656-007 Exports		
Through September 30, 2004		
Obligations	8,969	250
Expenditures	938	0
Unliquidated	8,031	250
Fiscal Year 2005		
Obligations	3,806	0
Expenditures	3,351	193
Through September 30, 2005		
Obligations	12,775	250
Expenditures	4,289	193
Unliquidated	8,486	57
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	2,509	0
Total Planned Fiscal Year 2006		
Obligations	2,509	0
Proposed Fiscal Year 2007 NOA		
Obligations	2,644	0
Future Obligations	36,137	0
Est. Total Cost	54,065	250

Data Sheet

USAID Mission:	Mozambique
Program Title:	Maternal and Child Health
Pillar:	Global Health
Strategic Objective:	656-008
Status:	Continuing
Planned FY 2006 Obligation:	\$17,361,000 CSH
Prior Year Unobligated:	\$1,000,000 CSH
Proposed FY 2007 Obligation:	\$15,929,000 CSH
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2009

Summary: USAID's program to improve the health of Mozambican families is helping them become more productive, less vulnerable to disease, and more effective participants in overall community health and development. USAID is providing technical assistance, training, and commodities at the local and national levels to: (1) increase access to maternal and child health services that are proven to be of high quality and effective; (2) increase community-level demand for these services by facilitating greater community participation in managing and influencing the delivery of health care services; and (3) improve and decentralize the Ministry of Health's (MOH) management systems. USAID's program will lead to the increased use of quality primary health services in the program's four target provinces and better policies and management nationwide.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Child Survival, Health and Nutrition (\$4,350,000 CSH). USAID is both providing technical assistance and training to MOH staff to improve the delivery of child health services and promoting policies that improve neo-natal care and increase community access to drugs. USAID is training 100 health workers to provide quality immunization, malaria, nutrition, and newborn care services. USAID is facilitating the adoption of the Integrated Management of Childhood Illnesses (IMCI) service delivery approach, so health care workers ensure the overall well-being of a child, rather than focusing solely on his apparent symptoms. USAID is supporting malnutrition surveillance, promotion of exclusive breastfeeding, Vitamin A supplementation, and training for over 2,000 women on how to improve young child feeding practices. USAID technical assistance and training is building MOH capacity in planning and management. Four health care professionals are receiving pre-service public health training, and one medical doctor is being sponsored for a master's degree in public health. Principal contractors and grantees: Chemonics, Save the Children (SCF), World Vision (WV), Project HOPE, Pathfinder, and Population Services, International (PSI) (all prime).

Improve Maternal Health and Nutrition (\$3,500,000 CSH; \$500,000 prior year CSH). Technical assistance and training activities are improving antenatal, obstetric and post-partum care, with an added emphasis on malaria during pregnancy, maternal nutrition, and post-partum Vitamin A supplementation. Forty health workers are being trained in quality assurance. Protocols and guidelines are being developed to integrate maternal health activities with HIV counseling/testing. USAID technical assistance is supporting start-up activities for a 2007 census. Principal contractors and grantees: Chemonics, SCF, WV, Project HOPE, Pathfinder, PSI, and U.S. Census Bureau (primes); SCF and CARE (subs).

Prevent and Control Infectious Diseases of Major Importance (\$7,475,000 CSH). USAID is promoting the early diagnosis and treatment of malaria by training 60 health providers in case management and laboratory diagnosis, and training 80 community health workers in detection/management of malaria. A sensitivity study of anti-malarials is being implemented in anticipation of initiating community-based distribution (CBD) of anti-malarials. USAID technical assistance ensures that appropriate policies and environmental control measures are in place in response to a new MOH DDT spraying policy. USAID is facilitating the procurement of a range of commodities to fight malaria, including rapid diagnostic test kits, anti-malarial drugs, sprayers, insecticides, long-lasting insecticide-treated bed nets and bed net

retreatment kits. A tuberculosis (TB) implementation plan will be developed by the USAID-provided TB advisor. USAID's training of 40 health workers and 60 community volunteers is reinforcing the direct observation treatment (DOT) approach for managing TB, and facilitating the integration of TB and HIV/AIDS activities. The diagnostic capacity of two TB laboratories will be improved by training lab workers, developing protocols, and procuring materials and equipment. Technical assistance is strengthening the MOH's capacity to monitor/respond to epidemics such as avian influenza, cholera, and meningitis. Principal contractors and grantees: Chemonics, SCF, WV, Project HOPE, Pathfinder, PSI and TB Control Assistance Program (TB CAP) (all prime), SCF and CARE (subs).

Support Family Planning (\$2,036,000 CSH; \$500,000 prior year CSH). USAID is strengthening the MOH's family planning program by providing training and technical support for improved supervision and contraceptive procurement, including designing a contraceptive security strategy. Community-based distribution of contraceptives is increasing to cover at least 50% of target districts. Principal contractors and grantees: Chemonics, SCF, WV, Project HOPE, Pathfinder, and PSI (all prime), SCF and CARE (subs).

FY 2007 Program:

Improve Child Survival, Health and Nutrition (\$4,600,000 CSH). USAID will continue technical assistance and training focused on immunization, malaria, nutrition, diarrheal disease, and IMCI. USAID will continue to introduce new products in targeted communities through CBD and to strengthen community participation in managing and influencing the delivery of health care services. Overall health systems capacity will be further improved by USAID through supervisory training, the development of systems to improve referrals and program coordination, and the roll-out of a computerized drug management information system. USAID will continue to support pre- and in-service public health training. Principal contractors and grantees: same as above.

Improve Maternal Health and Nutrition (\$3,500,000 CSH). USAID's training and technical assistance activities related to antenatal, obstetric, and post-partum care will continue. A community-based referral system will be developed to reduce delays in the provision of emergency obstetric care. USAID will provide technical assistance for evaluating and editing preliminary 2007 census data. Principal contractors and grantees: same as above.

Prevent and Control Infectious Diseases of Major Importance (\$6,562,000 CSH). USAID will continue on-going activities. USAID will continue to provide commodities for malaria treatment and control, training for tuberculosis laboratories, and training for new health providers in the DOT approach. Technical assistance for emergency preparedness will continue. Principal contractors and grantees: same as above.

Support Family Planning (\$1,267,000 CSH). USAID will continue to procure and distribute contraceptives, facilitate CBD, and provide training and technical assistance for family planning. Principal contractors and grantees: same as above.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

Performance and Results: USAID financed the development of a logistics management system that affords the MOH real time information on the status of drug availability nationwide, thus improving procurement planning and reducing drug shortages. Approximately 8,500 insecticide-treated bed nets sold for use by pregnant women and children under-five are expected to reduce malaria cases and deaths. Over 1,675 sick under-five year olds and 1,233 pregnant women were transferred from their homes to the nearest health facility using USAID-provided bicycle ambulances, enabling them to access services in a timely manner. USAID supported a successful national vaccination campaign; rates for measles coverage in target areas averaged 98%. By the program's end in FY 2009, USAID-targeted areas will have significantly increased childhood immunization coverage, reduced maternal mortality rates, and increased the use of modern contraception methods.

US Financing in Thousands of Dollars

Mozambique

656-008 Maternal and Child Health	CSH
Through September 30, 2004	
Obligations	13,258
Expenditures	2,097
Unliquidated	11,161
Fiscal Year 2005	
Obligations	11,430
Expenditures	3,058
Through September 30, 2005	
Obligations	24,688
Expenditures	5,155
Unliquidated	19,533
Prior Year Unobligated Funds	
Obligations	1,000
Planned Fiscal Year 2006 NOA	
Obligations	17,361
Total Planned Fiscal Year 2006	
Obligations	18,361
Proposed Fiscal Year 2007 NOA	
Obligations	15,929
Future Obligations	8,272
Est. Total Cost	67,250

Data Sheet

USAID Mission:	Mozambique
Program Title:	Municipal Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	656-010
Status:	Continuing
Planned FY 2006 Obligation:	\$992,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,000,000 DA
Year of Initial Obligation:	2003
Estimated Year of Final Obligation:	2009

Summary: USAID's municipal governance program creates models of democratic governance in selected municipalities and strengthens Mozambique's anti-corruption efforts at the local and national levels in selected sectors. These results are being accomplished with technical assistance and training to democratically elected municipal officials, civil servants, and civil society organizations to: (1) ensure that government decision-making is more transparent and elected officials are increasingly more accountable to citizens; (2) increase civic action and participation in municipal planning and development; (3) foster a more ethical and effective civil service; and (4) improve service delivery. By building the skills of municipal officials and creating opportunities for civil society to partner with government, USAID is demonstrating the value of democratic governance, citizen empowerment, and citizen participation.

Inputs, Outputs, Activities:

FY 2006 Program:

Promote and Support Anti-Corruption Reforms (\$500,000 DA). At the municipal level, USAID is introducing citizen oversight mechanisms and more transparent administrative systems. Support for corruption reporting centers is being phased out in 2006, while elements of these centers will be incorporated into the Attorney General's Central Office (AGO) to Combat Corruption. Principal contractors and grantees: Associates in Rural Development (ARD), AGO and others to be determined (TBD).

Support Democratic Local Government and Decentralization (\$492,000 DA). USAID's technical assistance and training in five of Mozambique's 33 municipalities is enhancing municipal government performance by improving accountability, responsiveness, transparency, and service provision. USAID provides citizens with the skills and techniques needed to more effectively communicate their needs and priorities to their local representatives, while simultaneously helping citizens understand their rights and responsibilities through civic education. At the same time, municipal governments are learning to be more inclusive, transparent, and efficient through mechanisms such as public hearings, commissions, and open budget meetings. Specifically, USAID is delivering technical assistance and training to municipal officials on development planning, financial and human resources management, budget formulation, ethical and transparent public administration, and public relations. USAID is exploring opportunities to improve service delivery by providing limited commodity support or financing for community infrastructure projects, such as market construction or water and sanitation system improvements. Financing may be provided through a Development Credit Authority (DCA) program. Principal contractors and grantees: ARD (prime).

FY 2007 Program:

Promote And Support Anti-Corruption Reforms (\$500,000 DA). USAID will continue technical assistance and training that reduce opportunities for corruption in targeted municipalities and increase citizen oversight of key municipal functions. Principal contractors and grantees: ARD, AGO, and others TBD.

Support Democratic Local Government and Decentralization (\$500,000 DA). USAID will continue to provide training and technical assistance to municipal governments to improve planning, financial management, and service delivery. USAID will help local governments develop new mechanisms for

community participation, increasing transparency, and for completing priority infrastructure improvements. Simultaneously, citizens and local civic groups will be trained to become more effective participants in local government. USAID will also seek opportunities to partner with civil society organizations that advocate for decentralization. Principal contractors and grantees: ARD and others TBD.

Performance and Results: USAID's municipal governance activity completed its start-up phase and identified priorities with each of the program's five target municipalities. USAID provided budgeting technical assistance to Gurue, a municipality that has been chronically under-funded by the central government due to the poor quality of its budget submissions. The city's leadership is confident that its latest budget submission will pass muster and Gurue will be able to address high priority needs in 2006. USAID technical advisors designed and implemented a household and enterprise survey in the city of Vilankulo. As a result, the city now administers a tax and services cadastre, designed and installed by USAID, which will improve tax collection and service delivery in the city. USAID's partnerships with national and international non-governmental organizations (NGOs) to provide international election observers and parallel vote tabulation proved pivotal in ensuring open and transparent national elections in December 2004. USAID's partnership with Mozambique's only anti-corruption NGO helped raise public awareness about corruption and resulted in the opening of seven new Corruption Reporting Centers. The new centers received 91 citizen reports of corruption. The Attorney General's Anti-Corruption Office applied USAID assistance to investigate more than 180 cases of corruption. In FY 2006, USAID is beginning a new activity to advocate for the formulation and passage of anti-trafficking in persons legislation and to provide technical assistance to the Ministry of Justice in drafting the law. By the end of the program in FY 2009, Mozambicans will be more aware of their rights and responsibilities as citizens; they will be taking advantage of opportunities to actively participate in community development and municipal decision-making; targeted municipal governments will operate more efficiently and democratically; and the legal framework for fighting corruption will be strengthened.

US Financing in Thousands of Dollars

Mozambique

	DA	ESF
656-010 Municipal Governance		
Through September 30, 2004		
Obligations	3,926	900
Expenditures	18	105
Unliquidated	3,908	795
Fiscal Year 2005		
Obligations	2,257	0
Expenditures	1,204	609
Through September 30, 2005		
Obligations	6,183	900
Expenditures	1,222	714
Unliquidated	4,961	186
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	992	0
Total Planned Fiscal Year 2006		
Obligations	992	0
Proposed Fiscal Year 2007 NOA		
Obligations	1,000	0
Future Obligations	3,807	0
Est. Total Cost	11,982	900