

INTRODUCTION

Reducing absolute poverty in Mozambique has been a key government objective ever since the first days of independence. Following on from the Action Guidelines for the Eradication of Absolute Poverty (1999) and the Action Plan for the Reduction of Absolute Poverty (PARPA) 2000–2004, in April 2001 the government adopted the 2001–2005 version of PARPA, whose ongoing results and level of execution are analyzed in this evaluation report.

Conceived as a rolling and dynamic medium-term intersectoral planning instrument, PARPA is integrated into the normal planning and implementation cycles as an expression of priorities in the fight against poverty established in the 2000–2004 Government Program. It is materialized through the annual Economic and Social Plan (ESP) and the State Budget (SB).

A monitoring and evaluation strategy was devised to accompany and oversee PARPA implementation, using mechanisms that exploit existing instruments, such as the ESP Balance Sheet and SB Execution Reports. Nonetheless, the current phase of monitoring and evaluation requires supplementary analytical data to be produced, to afford a more in-depth view of the implementation of government plans and programs—hence this supplementary document, which is based on currently available information.¹

The document is structured as follows: section I presents the national macroeconomic setting and describes the main economic policy measures for 2001 and 2002; section II evaluates the process of integrating PARPA into annual planning instruments and the monitoring and evaluation process. Section III, divided into two parts, focuses on PARPA implementation: subsection III.1 considers the government's performance in the fundamental action areas, namely Education, Health, Agriculture, Infrastructure and Good Governance. After describing the trends of the main sectoral indicators, it compares the results obtained by these sectors in relation to the corresponding PARPA targets, and describes the key activities carried out. The conclusions of this evaluation suggest lines of action to improve sectoral performance. Subsection III.2 evaluates the use of public resources in the fundamental action areas, comparing data on annual planning and budgetary execution with the corresponding PARPA commitments. The final part of the document contains the main conclusions on each of the issues discussed, ending with a set of recommendations for PARPA review.

I – THE NATIONAL MACROECONOMIC FRAMEWORK

Despite devastation from flooding in the central and northern regions, the Mozambican economy performed well in 2001, posting a GDP growth rate of 13.9 percent, falling average inflation (9.1 percent compared to the previous year's 12.7 percent), and export growth in a context of import restraint. Following the previous year's pattern, in 2001 there was another major inflow of funds in connection with the external debt relief program, and also as a result of international partners' response to the government's appeal for emergency reconstruction assistance following the floods (Donors Conference, Maputo, 2001). It was these efforts to replace destroyed infrastructure, together

¹ This document was produced using the following main sources: ESP and SB balance sheets for 2001 and 2002; data on the execution of actions contained in the PARPA 2000–2004 and 2001–2005 operational matrices; data from INE and various ministries; and consultations with sectors directly responsible for implementing activities in the fundamental action areas.