

ANNEX 6 - SUMMARY OF PARPA II

1. PARPA II is the Government of Mozambique's second PRSP, which will run from 2006-2009. We feel that it is strong in many aspects: including a clear sense of government ownership, a balanced, results-based vision around the three pillars developed in the vision paper Agenda 2025¹ of governance, human capital and economic development, and a clear intention to locate the PARPA within the formal policy, parliamentary and budgetary processes of government.

The Government sets out the vision and pillars of its strategy as the following:

2. "In the long term, the consensual objective of Mozambican society is to improve the living standards and welfare of its citizens. The long term objectives, in short, are balanced economic and social development; the reduction of absolute poverty; the consolidation of peace, national unity and democracy; the generalized application of justice; improved education and health, stimulating and practicing hard work, honesty, enthusiasm, and a sense of honour; guaranteeing individual freedoms and social harmony; imposing laws against criminal activities; guaranteeing sovereignty and strengthening international coordination.

3. The government took these objectives, in letter or in spirit, into consideration when drawing up its Five Year Programme for 2005-2009, and in the subsequent drafting of the current PARPA II, both medium term instruments of governance and programming.

4. PARPA II defines its strategy of economic growth and poverty reduction through the pillars of governance, human capital and economic development. Social capital is included in the other pillars. The approach by pillars makes it possible to focus attention on the functions of social organisation through the State, of developing individual capacities, and of creating wealth to improve citizens' welfare. It also allows analysis of the links between the three functions needed to attain the central objectives.

5. The pillar of governance is intended to turn the state apparatus into a machine that stimulates the development of human capital and of the economy. The government will prioritise improving the quality of analysis and policy design, in order to obtain the results expected from their implementation. The authorities shall be guided by the principles of the rule of law, ensuring transparency, accountability, minimizing the opportunities for diversion and improper use of public funds and resources, and the active application of laws against criminal and corrupt acts.

¹ Agenda 2025 is a vision document produced following a country-led process to develop a consensus about where Mozambique should be by 2025 <http://www.op.gov.mz/documentos/Agenda%202025.pdf>

6. The pillar of *human capital* continues the plans to develop labour, technical and scientific capacities, health and access to basic resources, particularly food and water, and reducing the incidence of diseases that affect children, focusing particularly on the fight against HIV-AIDS, malaria and tuberculosis. A substantial part of the resources of the state budget will be used to finance the classical social services, covering a vast percentage of the population, where the poorest strata are to be found.
7. The pillar of *economic development* is concentrated on the basic conditions for pursuing productive activity, such as improving infrastructures, reducing bureaucratic blockages, and establishing legislation that guarantees property rights and stimulates increased productivity and innovation. It will also prioritise inter-sector coordination in order to guarantee increased productivity in agriculture and the sectors linked to it. Additional priorities are the development of the banking and financial system so that it may comply with its tasks of retaining savings and actively financing productive operations, in particularly those of small and medium enterprises.
8. The element common to the three pillars is the building of the Mozambican nation, by consolidating national unity, developing the human potential of each citizen and establishing a functioning institutional system, which also ensures growth in the capacity to create national wealth.
9. A basic condition for success in forming this nation is to ensure investment in basic infrastructures and their maintenance, thus allowing effective communication from north to south of the country, for people, goods and information. Improving this communication will facilitate the integration of farmers, and other rural and urban citizens into a national community.
10. Multi-sector coordination between the various state institutions, civil society organisations, the national business class and other development partners is the touchstone that ensures the harmonious and multi-faceted development of the country.
11. Integrated and determined national development is an imperative with multifaceted implications – historical, political, social, anthropological, even economic. The priorities in each pillar will necessarily reflect this project.
12. While national development is a priority, PARPA II is also taking into account the need for gradual integration into the community of the neighbouring countries, into the rest of Africa and the world.
13. After the recovery of productive capacity in agriculture, construction and services, the trend of economic growth may depend increasingly on gains in productivity and of the capacity to create and retain domestic savings, and apply

them productively. These two factors are an enormous challenge for the following period.

14. The growth of productivity is a further element of linkage and of focus between the three pillars. The pillar of governance will contribute to attaining this objective, if it improves the level of services, of analyses and of policies. This role of the State should be guaranteed by the political and leadership quality, as well as the technical quality of its staff. The beneficial effects on the economy will make themselves felt through the reduction in red tape, through quality and strategic investment in infrastructures, and through stimulating the growth of the private sector. Investment in education and in health and sanitation services should be guided so as to make the citizens into a more effective productive force, enjoying a higher level of welfare.

15. Chapter II follows with the explanation of the methodology used to draw up PARPA II. Chapter III provides information on the evolution of the indicators of absolute poverty; Chapter IV presents the strategic vision, the objectives, and the priority actions. Chapter V sets out the macro-economic and fiscal base scenario. The scenarios for the reduction of absolute poverty are presented in Chapter VI. The objectives and main activities of the cross-cutting issues are laid out in Chapter VII, and the objectives and detailed actions by pillars, in Chapter VIII. Chapter IX explains the determinant factors for the success of implementing PARPA II, Chapter X gives information on monitoring and evaluation procedures, while the Appendix presents the strategy matrix.”

Government of Mozambique Summary of PARPA January 2006