

**The Republic of Korea's Country
Partnership Strategy for
the Republic of Mozambique
2016-2020**

The Government of the Republic of Korea

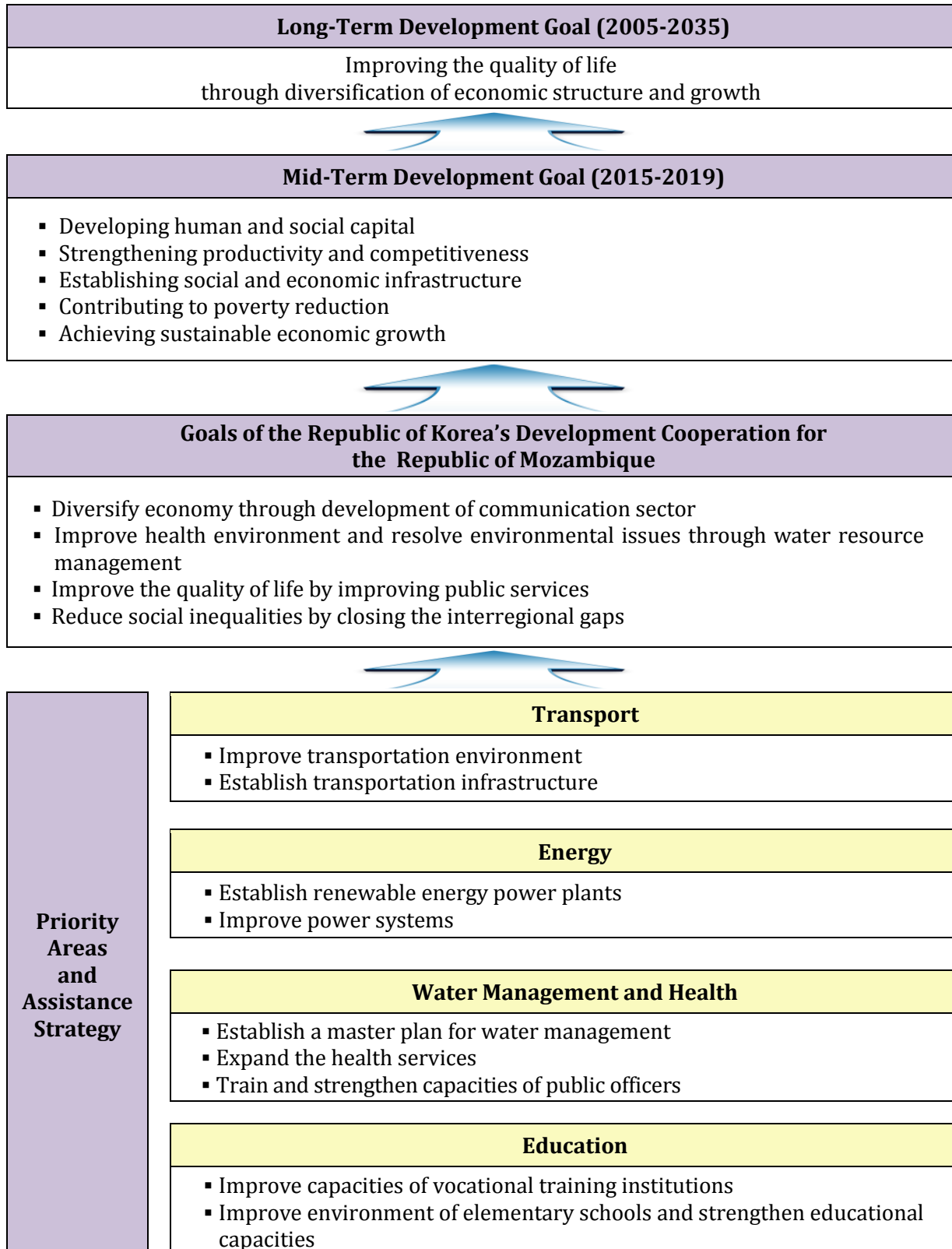
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Table of Contents

I. SUMMARY	3
II. PRIORITY AREAS AND IMPLEMENTATION MEASURES.....	5
Transport.....	5
Energy	7
Water Management and Health	9
Education	12
III. CPS EVALUATION FRAMEWORK	15
IV. MID-TERM ALLOCATION PLAN	16
V. PARTNERSHIP PLANS	16

The Republic of Korea's Country Partnership Strategy for the Republic of Mozambique

I. Summary



1. **(Vision)** Working in line with Mozambique's National Development Strategy (2015~2035) and Five-Year Plan (2015-2019), the Republic of Korea plans to improve the quality of life in Mozambique by diversifying the economic structure and further improving the cooperative relationship between the two countries.

To assist Mozambique achieve its development goals by 2019, the Korean Government will provide support in developing human and social capital and establishing social and economic infrastructure.

2. **(Criteria for Priority Areas Selection)** Priority areas will be selected based on Mozambique's National Development Strategy, the Korean Government's capacities for development cooperation projects, development challenges, anticipated financial resources, and opportunities for cooperation with other donor countries/organizations.

3. **(Priority Areas)** A minimum of 70% of the total ODA will be allocated for the priority areas:

- ① **(Transportation)** Reduce interregional inequalities by establishing transportation infrastructure that can bring economic growth

- ② **(Energy)** Establish the foundation for sustainable economic growth by establishing power and renewable energy infrastructure

- ③ **(Water Management and Health)** Improve the quality of water and health management, and improve public health in disadvantaged areas

- ④ **(Education)** Establish a foundation for sustainable national development by strengthening and training human resources

4. **(Implementation Strategy)** Efficiency, sustainability, and harmonization will be the three values emphasized in development projects for Mozambique.

Efficiency: Creating synergy through an organic connection between development projects.

Sustainability: Strengthening connections between the projects and Mozambican Government's strategies and improving Mozambique's management capacity to make development projects sustainable.

Harmonization: Promoting cooperation, information sharing, and division of support between donor organizations and countries through systematic harmonization and cooperation.

5. **(Strategic Foundation)** Aligned with the ODA Advancement Plan of the Korean Government, Busan Global Partnership Implementation Strategies, and the UN's Sustainable Development Goals (SDGs).

- Reinforcement of cooperation between the Mozambican Government and relevant organizations at home and abroad through the improvement of Policy Coherence for Development (PCD) and a phased introduction of the Program-based Approach (PBA) according to the extent of Mozambican Government's governance development.

II. Priority Areas and Implementation Measures

A. Transport

1. Needs Assessment

The Mozambican government is vigorously investing in road construction and strengthening technical capacities in the transportation sector. The demand for road construction is very high and approximately \$20 billion worth of road infrastructure construction projects including the port-railway connecting project are being carried out.

Foreign corporation investments in large-scale resource development projects are increasing, however, Mozambique's lack of infrastructure, such as roads and ports necessary for transporting resources, is working as an obstacle for inviting foreign investments.

- The roads that connect ports and mining areas are in good condition, however, most of the roads in the country are not paved and the country lacks a sufficient amount of roads that connect urban and rural areas.

* Mozambique's total road network is 32,348km (2013), 80.5% of those roads are unpaved and the roads are almost inaccessible during the wet season.

- Mozambique Ports and Railways (CFM) is planning to invest \$12 billion over the next five years, aiming to export 1.2 mil ton of coal every year.

Mozambique is planning to expand its road network and improve bridges by 2019.

Indicators	2014	2019
% of the Mozambican network of national and regional roads in "good" or "reasonable" condition	68%	75%
Km of rehabilitated national and regional roads	283km	2,774km
Km of paved national and regional roads	602km	2,097km
% of road maintenance (routine)	19,480km	20,000km
% of road maintenance (periodic)	299km	5,000km
Number of bridges constructed, rehabilitated, and maintained	11	57

Ref: Plano Quinquenal do Governo, 2015-2019

In addition, in order to modernize ports and railways, Mozambique will invest \$1.3 billion by 2021 and carry out large-scale railway expansion projects and dredging constructions to increase cargo flows in ports.

* 75% of the investment for the railway expansion project is for purchasing new equipment and the rest will be for repairing existing facilities and equipment.

** 30 mil ton ('13) → 50 mil ton ('19)

Recognizing the importance of improving transportation infrastructure in Mozambique, major donor organizations such as the World Bank (WB) and the African Development Bank (AfDB)* have been supporting the transportation sector as a priority support area.

* Trunk Road Rehabilitation Project, Montepuez-Lichinga Road Project

(Ports) Among seven major ports in Mozambique, Maputo port and Beira port are functioning sufficiently and their connectivity to roads and railways is in good condition.

- The rest of the ports are in poor condition and facing serious delays due to increased trade in recent years.
- The Mozambican Government is currently working on expanding port facilities and constructing a new port (LNG export terminal at Palma).

(Railways) Foreign mineral corporations are planning to build railways with the purpose of developing and transporting resources.

- Currently, there are three major rail networks and as with the roads, they are connected to neighboring countries such as South Africa, Zimbabwe, and Malawi.
- Due to lack of locomotives, the country's ability to process cargo volume is very low and the transportation through locomotive is inefficient and expensive compared to road transportation.

2. Korea's Strength in Development

The Korean Government has technologies and experiences in implementing comprehensive land development plan and establishing nationwide road networks in a very short period.

- Recently, the Korean Government has acquired the abilities and technologies to develop and introduce intelligent transportation and road systems.
- The Korean Government also cooperates actively with AfDB* for co-financing projects in the transportation sector.

* The Nacala Road Corridor Upgrading Project- Phase1 in Mozambique ('09), Toliara Province Road No.35 Rehabilitation Project in Madagascar ('07), Modjo-Hawassa Highway Project in Ethiopia ('13)

3. Implementation Measures

The Korean Government will, working in line with Mozambique's transportation sector strategy, establish a comprehensive transportation plan, improve relevant policies, carry out development surveys, establish infrastructure, and strengthen the capacities of transport-related organizations in Mozambique.

The Korean Government will also develop co-financing projects with other donor organizations.

By 2020, the Korean Government will provide assistance for road construction, transportation environment improvement, road infrastructure expansion, and capacity building, and contribute to Mozambique’s integrated economic development, balanced land development, increased trade, and sustainable economic growth.

The Korean Government will also support strengthening the capacities of Mozambique’s transportation sector by sharing experiences of policy development and system building for developing, managing, operating, and maintaining transportation infrastructure.

The Korean Government will carry out co-research on a development agenda with relevant ministries and agencies of Mozambique, provide problem-solving training programs, and implement capacity building plans for completed projects.

B. Energy

1. Needs Assessment

Mozambique has various energy sources (coal, gas, and hydropower), however, only 20.2% (‘12) of households have access to electricity and the gap between urban and rural areas (urban: 54.5%, rural: 5.4%) is very big. Thus, the country is in serious need of electricity network expansion.

Moreover, as 99% of electricity is derived from hydropower, the Government is working to diversify energy sources to resolve the country’s excessive reliance on hydropower.

According to Mozambique’s Electricity Master Plan 2005-2019, the country, in preparation for increasing electricity demand, will improve household access to electricity to 25% by 2020.

< Mozambique’s Electricity Demand >

Category	2005	2010	2015	2020
Electricity Demand (GWh)	2,169	3,356	4,348	5,389
Maximum Demand (MW)	357	557	714	876

Ref: EdM, Electricity Mater Plan Study (2004)

< SWOT Analysis of Mozambique’s Energy Sector >

Strengths	<ul style="list-style-type: none"> - Increase in investment toward electricity sector from rapid economic growth (expected to achieve 10% annual growth from 2014 to 2023) - Great potential and resources for hydropower - Foreign investment (Finland, Portugal, and etc.)
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Weaknesses	<ul style="list-style-type: none"> - Rich in natural gas, but, access to electricity is the lowest among African nations (13%) - Excessive reliance (99%) on hydropower, highly influenced by climate change
Opportunities	<ul style="list-style-type: none"> - Development strategy for renewable energy (solar, wind, and tidal power) (May, 2011) (Project period: 2011~2025) - Invest \$20 billion in electricity network by 2017 - Great potential in coal development - \$12 billion electricity projects carried out
Threats	<ul style="list-style-type: none"> - Endemic corruption and bureaucracy - With rapid increase in population, the country may become an electricity importer in 2023.

2. Korea's Strength in Development

The Korean Government holds one of the world's lowest electric power transmission and distribution loss rate. In addition to hydropower which Mozambique greatly relies on, the Korean Government has advanced technologies and organizations specialized in solar power, small hydropower, biomass energy, and renewable energy*.

* Renewable energy project supported by EDCF: Construction of Photovoltaic Power Plants Project ('10)

3. Implementation Measures

The Korean Government will, working in line with Mozambique's energy strategy, establish a comprehensive energy plan, improve relevant policies, carry out development surveys, establish infrastructure, and try to strengthen the capacities of electricity-related organizations in Mozambique.

The Korean Government will also develop co-financing projects with other donor organizations.

The Korean Government will provide assistance for constructing hydropower plants* that use the plentiful water resources of the Zambezi River, thermal power plants that use natural gas and coal, power transmission and distribution network expansion projects**, and various infrastructure modernization projects.

* Approximately 13,000W of additional electricity using water resources of the Zambezi River can be generated. Mphanda Nkuwa Hydropower Plan (1,500MW), Cahora Bassa Hydropower Plant (1,250MW) construction projects are currently being carried out.

**The Mozambican government will procure \$4 billion public funds to establish 1,500km (Tete-Maputo) of transmission and distribution network.

To resolve Mozambique's chronic electricity shortage problem and to satisfy the increasing electricity demand, the Korean Government will provide assistance in establishing power plants, as well as transmission and distribution networks; expanding environment-friendly and efficient power infrastructure, such as solar power plants; and ultimately, improving the quality of life and electricity-related regional economy of Mozambique.

C. Water Management and Health

1. Needs Assessment

(Water Management) Mozambique has a total of 104 river basins and 13 key river basins as follows: (1) Maputo, (2) Umbeluzi, (3) Incomati, (4) Limpopo, (5) Save, (6) Buzi, (7) Púngoè, (8) Zambeze, (9) Licungo, (10) Ligonha, (11) Lúrio, (12) Messalo, and (13) Rovuma.

There are 27 dams with a height of 10 m or more and the Cahora Bassa dam at Zambezi River is the largest hydroelectric plant in southern Africa with an installed capacity of 2,060 MW and a storage capacity of 39.2 km³.

<Water Resources under the Management of each Regional Water Agency>

Regional water agency	Area (1,000 km ²)	Mean annual runoff (km ³)			Mean annual runoff (mm)		
		Flow at border	Generated in Mozambique	Total	Flow at border	Generated in Mozambique	Total
Ara-Sul	192	17	3.8	20.8	89	20	109
Ara-Centro	84	1.2	18.4	19.6	14	219	233
Ara-Zambezi	140	88	18	106	629	129	758
Ara-Centro Norte	196	0	35.2	35.2	0	180	180
Ara-Norte	168	10	24.9	34.9	60	148	208
Total	780	116.2	100.3	216.5	149	129	278

Source: DNA (1999)

216.5km³ of water is generated in these basins and the annual runoff of each region is as follows: in Mozambique, 17km³ of groundwater is produced annually, and the Zambezi and Incomati basins produce the largest amount of water.

In 2000, the total water withdrawal was 635 million m³, 87% of which was for agriculture and livestock use, 11% for residential use and 2% for industrial use. The average precipitation was 1032mm/yr. and the total actual renewable water resources were 217.1 billion m³. Thus, in 2000, only 0.3% was used from the renewable water resources.

Average water use per capita is 36 millionm³/yr.

(Administration for Water Management) Mozambique has five Regional Water Administrations (ARAs) and the regions that each ARA is responsible for are as follows:

- ARA-Sul: Maputo, Umbeluzi, Incomati, Limpopo Rivers and part of the Save River
- ARA-Centro: part of the Save, Buzi, and Púngoè Rivers
- ARA-Zambeze: Zambeze River
- ARA-Centro Norte: Licungo, Ligonha, and Lúrio Rivers
- ARA-Norte: Messalo and Rovuma Rivers

For sustainable water resource management, Mozambique has implemented a system called the Integrated Water Resource Management (IWRM) and it includes:

- Water Resource Assessment: carried out by each Regional Water Administration (ARA)
- Regulatory and Conflict Resolution Instruments
 - * Water Law 1991 (right of surface and groundwater to the government and division of water resource management)
 - *National Water Policy (NWP) (no. 7/95, 1995)
 - (i) Additional establishment of water-related organizations and policies,
 - (ii) Restructuring water management sectors and improving public water supply system
 - *Water Tariff Policy (no. 60/98, 1995)
- Information Management and Exchange (Agencies such as UGB, ARAs, INGC, and DNA provide water level and emergency information)
- Demand Management

Integrated Water Resource Management (IWRM) development tasks are:

- Flood control
- Preventing water pollution in the central regions (Save, Buzi, and Púngoè) by imposing tariffs
- Issues with allocating water and consumption efficiency
- Shortage of ARA operating funds and funds for developing water resource infrastructure
- Lack of cooperation with other ministries (Ministry of Health, Ministry of Mineral Resources and Energy, and local governments)
- Issues with collecting water fees
- Lack of cooperation between stakeholders
- Insufficient groundwater management compared to surface water management
- Profit management
- Pollution control

In 2005, WB pointed out that constructing dams and reservoirs for irrigation, hydropower, flood control, and stable supply of water are the key assignments in Mozambique's water management and the details are as follows:

- Flood prevention
 - * Dike construction and rehabilitation in the Xai-Xai, Chokwe, Save, and Buzi basins
 - * Early warning system

- * Reservoir regulation improvement
- Irrigation rehabilitation in the South region
- Irrigation rehabilitation in the Central and North regions
- Hydropower development in the Zambezi river areas
- Basin master plan for the Incomati, Maputo, Zam- bezi, Pungwe, and Buzi river basins
- Hydropower facilities
- Dams and waterways
- * Moamba Major dam and pipeline constructions in the Incomati River areas Buzi basins
- * Bue Maria Dam construction in the Pungwe River area
- * Mapai Dam construction in the Limpopo River area
- * Construction of medium size dams for irrigation in the Central and North regions

(Water Resource Sector Personnel Development) To achieve the SDGs, approximately 7,500 workers will be needed additionally.

(Health) Most of Mozambique’s health infrastructures are concentrated in the capital, Maputo, and other major cities, and health service varies greatly by region to region. The overall level of infrastructure (number of hospitals and hospital beds) is the lowest among sub-Saharan African nations.

Compared to other sub-Saharan African nations, health indicators are very poor in Mozambique with an under-five mortality rate at 87.8%, infant mortality rate per 1,000 births at 61.5%, mortality rate of males between 15-59 yrs. at 48.9%, and females at 47.5%.

2. Korea’s Strength in Development

The Korean Government can share experience and knowledge in water resource development acquired during its rapid economic development.

To establish a foundation for the water management sector, the Korean Government will establish a master plan for water resource management and provide suggestions for national development plans and strategies to the Mozambican Government.

The Korean Government aims to make this assistance for Mozambique an exemplary model where technical experts of donors and recipient nations collaborate in development projects.

Moreover, the Korean Government has successful experience, technologies, and experts in establishing and developing regional health systems and experience in establishing hospital and disease control systems, as well.

*Establishment of Master Plan for Water Resources Management Project ('15-'17, KOICA)

* Health Projects Supported by EDCF: The Construction of Quelimane Central Hospital Project ('08),
The provision of Ambulances Project ('14)

3. Implementation Measures

The Korean Government will link Mozambique's water management plan and the Korean Government's master plan for water management and carry out basic feasibility studies for water resource infrastructure in order to establish a mid-to-long term infrastructure development plan and improve Mozambique's water management system and policies.

Based on the Master Plan for Water Resource Management, the Korean Government will carry out a basic survey of water resource data in Mozambique, capacity building, and a basic feasibility study for infrastructure and development planning.

- The Korean Government will work closely with the Regional Water Administrations (ARAs) in 10 provinces through policy discussion and establish a comprehensive master plan for water resource management.
- The Korean Government will assist developing master plans on infrastructure construction.

In addition, the Korean Government will also work in line with Mozambique's health sector plan in order to improve access to health services and strengthen the mid-to-long term health system and policies improvement plan.

The Korean Government will assist program-type projects for improving access to basic health services and focus on capacity building, mid-to-long term health systems, and policy improvement in Mozambique.

- The Korean Government will link educational institutions, public and private hospitals, and NGOs in the Republic of Korea and Mozambique to efficiently strengthen organizational capacities, plan for follow-up assistance, improve basic health services, and increase the disadvantaged groups' access to basic health services.
- The Korean Government will collaborate with the Republic of Korea's hospitals, universities, and organizations to provide mid-to-long term development schemes, health personnel capacity building, training, and etc.

D. Education

1. Needs Assessment

To strengthen capacities and develop human resources, the Mozambican Government is working towards establishing an inclusive, effective, and efficient education system, social infrastructure, and vocational training system/facilities.

The Mozambican Government is aiming at establishing an improved education system and strengthening educational system/facilities by 2019.

Indicators	2014	2019
% of 2 nd grade completion	82.30%	92%
% of 3 rd grade students achieved basic reading and math skills of the 1st cycle primary school	6.3%	12%
Number of teachers who can provide technical education	42,000	65,000

Ref: Plano Quinquenal do Governo, 2015-2019

In addition, as Mozambique's low productivity is negatively influencing job creation and job stability, the Korean Government aims to improve the technical and managerial capacities as well as the quality of technical training in Mozambique.

(The Status of Technical/Vocational Education and Training) Mozambique's vocational training system is well managed and the country utilizes the system by adopting accessible and efficient educational institutions and content. The Ministry of Education and the Executive Commission for Professional Education Reform (COREP, *Comissão Executiva da Reforma da Educação Profissional*) are in charge of educational affairs.

Mozambique's vocational education, however, needs improvement, failing to meet its goal of developing technical professionals, and faces the problems of mismatch with the needs of the labor market. Most of the educational institutions have low efficiency due to lack of management capacity and shortage of equipment and teachers.

The Mozambican Government is planning to utilize its newly established, the "Integrated Professional Education Reform Program" (PIREP, *Programa Integrado da Reforma de Educação Profissional*) for training and re-educating human resources in construction, manufacturing, mining, and plant industries.

In 2011, with the support of the World Bank, the Mozambican Government established a new technical education system in addition to the PIREP for improving the vocational training system. Mozambique is currently carrying out the Program under Presidential decree.

2. Korea's Strength in Development

The Korean Government's experience in industrialization through the development and training of human resources can be applied in its development cooperation with Mozambique.

* Matola Industrial and Commercial Institute Capacity Building Project ('13-'17, KOICA)

* Strengthening of Technical/Vocational Education Project ('11, EDCF)

The Korean Government's experience of carrying out vocational training projects over the past 25 years (1991~2015) in more than 85 countries can be utilized in

Mozambique for training technical professionals that match Mozambique's industrial characteristics and ultimately contribute to Mozambique's economic and social development.

For countries in the Middle East and Africa, the Korean Government can develop an assistance model that focuses on developing specific fields such as auto repair and mechanical industry which satisfies market demands and invites foreign investment.

The Korean Government has a government-led qualification training management system and can apply the system in developing countries with low public sector capacities.

3. Implementation Measures

To help Mozambique meet the increasing demand for industrial workforce, the Korean Government will provide assistance in technical and vocational training and, ultimately, improve capacity of human capital and increase their overall income.

In addition, the Korean Government will carry out capacity building programs, projects for improving the environment of elementary and middle schools, and projects for improving the general education system in Mozambique.

The Korean Government will support Mozambique by:

- Establishing a vocational training system; developing education and training models; developing teaching methods, management, and operating vocational training centers; vocational training in automobile, electricity, and electronics; ICT and services; educational infrastructure and training for securing a pool of qualified professionals;
- Strengthening elementary and middle school teachers' capacities and improving school facilities;
- Supplying textbooks and materials for improving elementary and middle school students' reading, writing, and listening skills;
- Strengthening educational public officials' policy developing abilities and invitational training for introducing an advanced educational system;
- Building and repairing vocational training schools and facilities, supplying educational materials, dispatching Korean experts, and carrying out invitation training programs;
- Providing consultation services in bidding procedures, planning, and in construction inspection and supervision.

III. Country Partnership Strategy (CPS) Evaluation Framework

Mozambique's National Development Strategy: Contributing to poverty reduction and achieving sustainable economic growth by 2019 through human and social capital development, strengthening of productivity and competitiveness, and establishing social and economic infrastructures				
CPS Strategic Goal				
Priority Areas	Goals	Expected Challenges	Achievements	Evaluation Index
Transport	<ul style="list-style-type: none"> · Establish a transportation master plan; Expand transportation infrastructure · Improve interregional connectivity by establishing and enhancing transportation infrastructure · Improve the quality of life through balanced supply of infrastructure 	<ul style="list-style-type: none"> · Poor road condition (mostly unpaved roads and interregional differences in road condition) 	<ul style="list-style-type: none"> · Improved transportation environment and establishment of transportation infrastructure 	<p>CPS Conformity Whether projects have been appropriately identified and developed in accordance with CPS goals</p> <p>Project Implementation Status Whether projects aligned with CPS has been implemented</p>
Energy	<ul style="list-style-type: none"> · Improve the quality of life in Mozambique and ensure energy security by diversifying energy sources · Expand electricity infrastructure, establish a comprehensive master plan, and strengthen electricity organizations' capacities 	<ul style="list-style-type: none"> · Poor access to electricity; the gap between regions in electricity supply · Singular energy source 	<ul style="list-style-type: none"> · Expansion of renewable energy plants · Consultations for improving electricity system 	
Water Management and Health	<ul style="list-style-type: none"> · Secure sustainable water resources by developing water resource infrastructure · Establish mid-to-long term health system, improve health policies and increase access to basic health services 	<ul style="list-style-type: none"> · The gap between regions in health services · Poor conditions of water resource and health infrastructure 	<ul style="list-style-type: none"> · Water Management master plan 	
Education	<ul style="list-style-type: none"> · Develop and produce human resources by strengthening the capacities of technical professional training institutions and elementary and middle schools 	<ul style="list-style-type: none"> · Low labor productivity · High no. of students per teacher ratio 	<ul style="list-style-type: none"> · Support strengthening the capacities of vocational education and training institutions · Support improving elementary schools' environment and educational capacities 	

IV. Mid-Term Allocation Plan

At least **70%** of the Korean Government's ODA will be concentrated on the **priority areas** of bilateral cooperation, while some flexibility will be applied in order to respond to urgent humanitarian demands and socio-economic changes in Mozambique.

However, policy plans and projects shall be adjusted based on program mission, policy dialogue, interim monitoring, and delays in projects and other possible changes in circumstances.

The budget allocation could also be adjusted during the budget discussions and project planning stages, and is subject to parliamentary decision.

V. Partnership Plans

1. Public-Private Partnership (PPP)

Considering Mozambique's commitment in securing private sector investments due to a shortage of public development funds, the Korean Government will develop large-scale projects that are linked to export financing.

The Korean Government will also develop PPP projects with combined funds for large-scale projects such as natural gas development projects* and plant construction projects.

* Various LNG development projects are being carried out the coastal regions and recently, an order was placed on a \$37.3 billion project. (Korea Gas Corporation and Samsung ENG participated)

2. Aid Harmonization

The Korean Government will participate in consultative groups of Multilateral Development Banks (MDBs) and donor nations to develop co-financing projects.

