



INTEGRATED SDG INSIGHTS MOZAMBIQUE

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: MOZAMBIQUE

While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

After several years of lukewarm economic growth, with GDP per capita dropping in 2019, 2020 and 2021, the Mozambican economy is projected to transition to acceleration mode in 2023 and 2024, mostly driven by the positive macroeconomic impact of natural gas exploration in the north of the country.¹ This pace of growth is characterized by being twice that of the world, although it is still below the country's growth trajectory projected before the pandemic of around 7%.

Despite its strong economic performance of the past decades, extreme poverty remains high in Mozambique, with 64% of the population living on less than \$2.15 a day in 2023. The country also faces significant distributional challenges, with Mozambique reporting one of the highest Gini income inequality coefficients on the continent. Moreover, the pace of economic growth occurs at the expense of the environment, with the country's carbon emissions intensity of GDP expected to increase at a 13% annual rate in the next few years due to fossil fuel usage.²

¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how Mozambique performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



SDG PRIORITIES

Mozambique's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.

Top SDG priorities for the country as a result of this systematic documentary review of key policy instruments include SDG 8, SDG 11 and SDG 16.



Key documents for analysis:

1. Voluntary National Review 2020
2. National Development Strategy (ENDE), 2023-2042
3. Government Five-Year Programme (PQG), 2020 - 2024

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Mozambique to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Mozambique's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Mozambique:

- Target 8.1: Sustained and accelerated per capita growth
- Target 11.b: Sustainable and resilient cities and human settlements
- Target 16.6: Develop effective, accountable, and transparent institutions



TRANSFORMATIVE PATHWAYS



SDG INTERLINKAGES

8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, by at least 7 per cent gross domestic product growth per annum in the least developed countries.

Achieving accelerated broad-based, inclusive GDP growth will be key for Mozambique's ambitions for long-term prosperity, sustainability, security and social inclusion, and to achieve its SDGs. This ambition is reflected in its 2023-2042 National Development Strategy (ENDE), which seeks to achieve an average annual GDP per capita growth of 8% throughout its implementation.

Broad-based economic growth will be critical in ensuring improved livelihoods in agriculture in rural areas, which still employs 73.6% of the country's workforce, and where poverty levels are greatest. It will also be key in generating quality jobs in the services, tourism and manufacturing sectors that provide employment opportunities for Mozambique's youth, while helping restore the government fiscal balances and increase the fiscal space for public investments in infrastructure and social sectors.

To achieve accelerated growth, Mozambique needs to increase productivity levels, especially in the agricultural sector, including in subsistence farming activities. It also needs to continue with the implementation of policies and measures that contribute to an enabling business environment.

In pursuing this development path, Mozambique needs to be mindful of the negative side effects that are often associated with strategies for accelerated, inclusive, broad-based GDP growth, especially in terms of its environmental and health impacts. In this respect, it will need to complement its pro-growth policies with interventions that ensure the sustainable management and conservation of its rich natural resource base and the adoption and use of clean and environmentally friendly production practices.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MOZ/synergies-and-tradeoffs>

SDG INTERLINKAGES

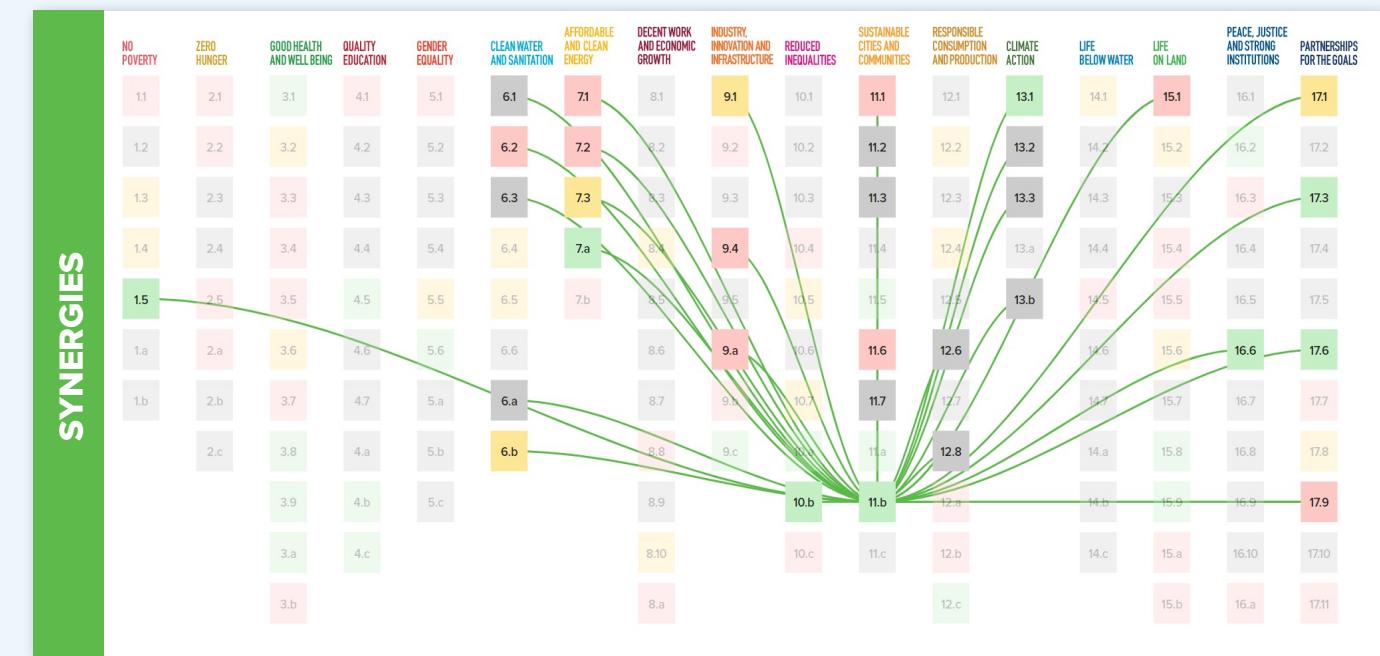
11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels

Mozambique is considered the fifth country most affected by extreme weather events between 2000 and 2019. It is also one of the most vulnerable (135 of 182 countries) and least ready (171 of 192) according to the Notre Dame Global Adaptation Initiative (2020) programme.

Recent estimates put the cost of climate change in Mozambique at up to \$16 billion to 2050, potentially lowering GDP by close to 4%. In 2020, up to 35.5% of households in Mozambique reported having suffered losses in food, assets and incomes due to the impact of natural hazards during the previous 12 months, with this percentage increasing to 43.4% of in rural areas.

Against this background, in a context in which climate change-related extreme weather events are expected to increase in Mozambique, it will be critical to step up prevention, mitigation and adaptation interventions that strengthen the resilience of human settlements and cities across the countries. Such interventions will be critical in enabling Mozambique to attain its SDGs and its ambitions for prosperity, inclusiveness and sustainability, as recognized in Mozambique's 2023-2042 National Development Strategy.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MOZ/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

Having effective, accountable and transparent institutions is a critical ingredient for sustainable development, ensuring effective service delivery to the population and sound and inclusive effective sustainable development policy management.

As recognized in the 2023-2042 Mozambique National Development Strategy, Mozambique's governance indicators have deteriorated over the past two decades. Of particular concern is the deterioration in government effectiveness, with worsening perceptions over the quality of public services, reduced capacities in the state administration, limited independence from political pressures and the low quality of policy formulation.

In addition, corruption indicators have deteriorated, constituting a major current problem for the country, due to its negative effects on the growth rate, the level and quality of investment and on the allocation of external resources.

To address these issues, Mozambique is intending to introduce measures to modernize and promote the efficiency, effectiveness, transparency and integrity of the public administration, including the justice system and law and order agencies, through the professionalization and improved management of public services and the active combat of corruption. It is also planning to consolidate decentralization reforms and to promote participatory processes in local decision-making.

● ON TRACK

● FOR REVIEW

● OFF TRACK

● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/MOZ/synergies-and-tradeoffs>

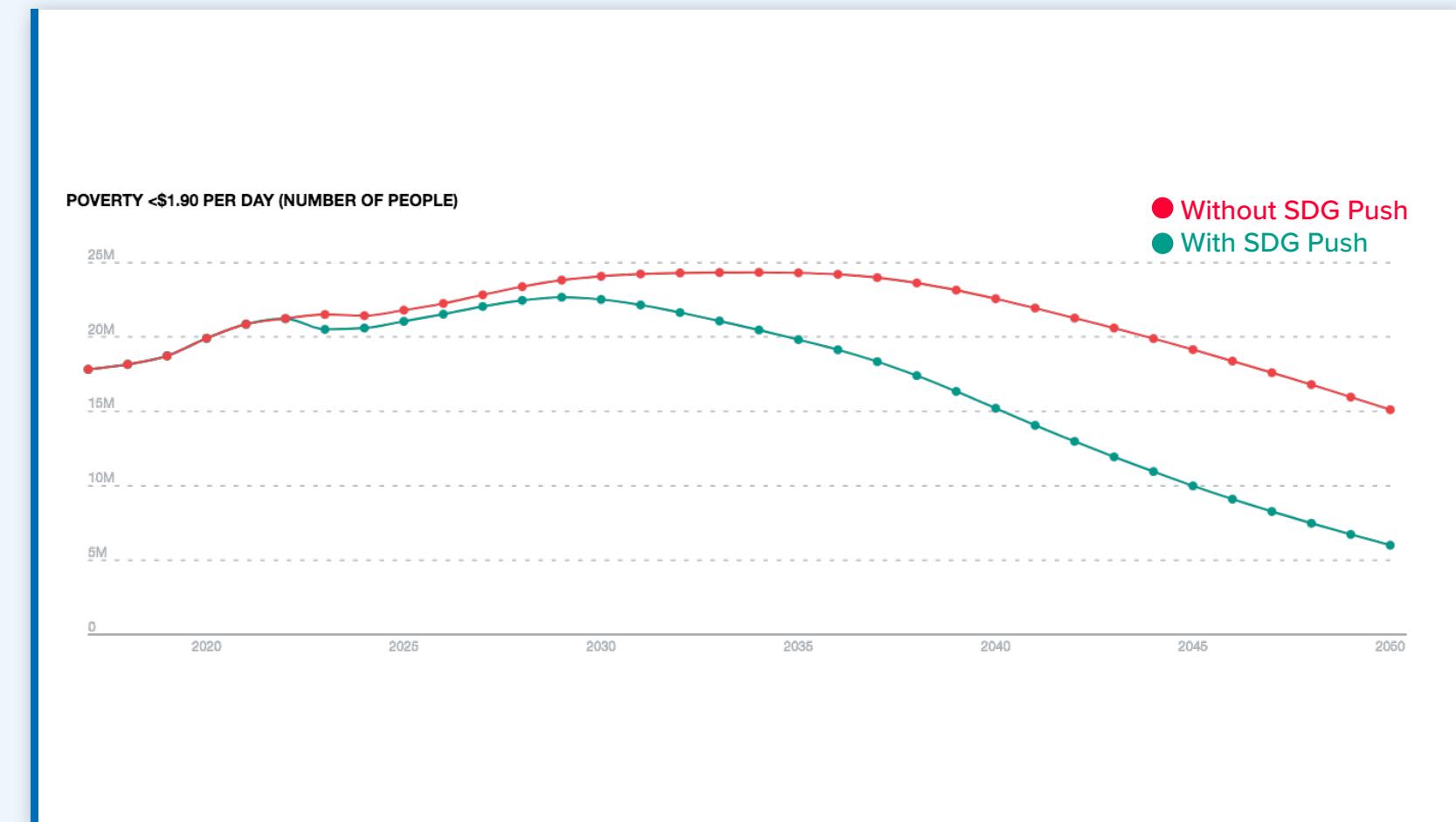
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Mozambique can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	24 mn	15 mn
With the SDG Push	23 mn	6 mn



Explore SDG Futures Scenarios at:
<https://data.undp.org/sdg-push-diagnostic/MOZ/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

Mozambique's gross government debt, projected at 102.8% of GDP in 2023, is more than double that of the low-income developing countries (LIDC) group of 48.3%, largely driven by the hidden debt crisis of 2016 which led to a very significant increase in public debt.

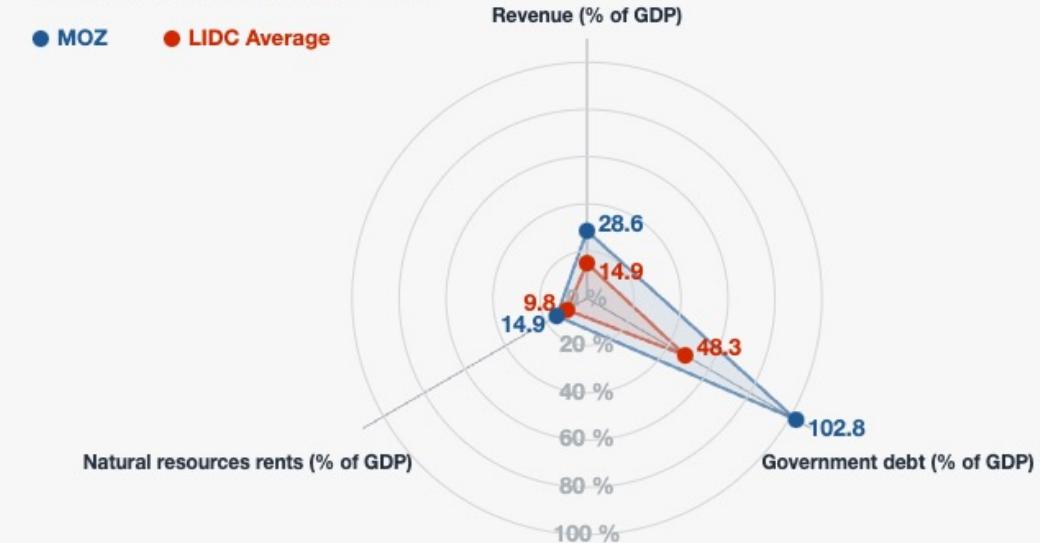
While Mozambique's debt remains in distress, the IMF deems it is sustainable in a forward-looking sense, considering that, to a large extent, future borrowing and government guarantees reflect state participation in the sizable liquified natural gas development.

Nonetheless, current levels of public debt to GDP pose important constraints on the government's fiscal space. Hence, while Mozambique is expected to collect 28.6% of GDP in revenue this year, nearly double that of the LIDC group of 14.9%, external debt servicing in 2023 is expected to take up as much as 29.8% of government revenue, compared to 14.1% for the LIDC average.

Finally, the country's credit rating is currently in the 'extremely speculative' category. Due to the high government debt and external debt servicing, the latest World Bank and IMF Debt Sustainability Analysis from April 2020 rated the country as 'in debt distress'.

LOW-FREQUENCY INDICATORS

● MOZ ● LIDC Average



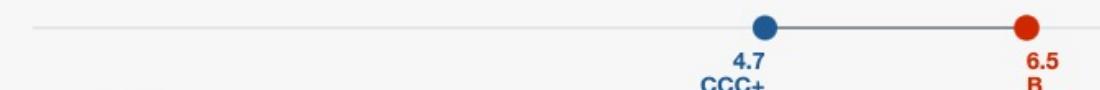
FINANCIAL INDICATORS

● MOZ ● LIDC Average

Total external debt servicing (% of revenue)



Credit rating



DSA Rating

● ● ●
IN DEBT DISTRESS

Notes: External debt covers public and publicly guaranteed debt. The credit rating shows the numerical average of S&P's, Moodys', and FITCH's ratings, expressed in S&P's scale in brackets.

Sources: WDI (natural resources rents, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), S&P, Moodys and FITCH (credit ratings, data from 2023), IMF/World Bank (DSA Rating as of 31 May 2023).

SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Mozambique possible funding options for the investments derived from the identified interlinkages include the following:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).