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POLICY BRIEF

FOOD SECURITY SITUATION AND CHALLENGES UNDER THE THREAT OF CLIMATE CHANGE IN THE REPUBLIC OF MOZAMBIQUE

ISABELLE TSAKOK

Mozambique's extractive-industry development model is a textbook case of how enormous FDI funds derived from its rich mineral base have not been leveraged to promote inclusive economic growth and generate food security for all. It is a textbook case of the resource curse.

Instead, only a few have benefitted, leaving the poor and vulnerable, who constitute the vast majority, to struggle unassisted. These include smallholders in subsistence-oriented agriculture and the rural sector, and a highly underemployed labor that toils in the predominantly informal market. Their exclusion from public investment for decades, together with the recurrent violent insurgence, particularly in mineral-rich Cabo Delgado, fuels widespread discontent and distrust of government.

The way forward is to leverage Mozambique's vast mineral wealth for the benefit of the majority, who are struggling against chronic poverty, hunger, and lack of opportunities. Doing so will require an end to business as usual (BAU). Such BAU is characterized by persistent institutional problems, including widespread corruption; complex and time-consuming regulations and constrained credit which undermine the non-mineral private sector; sharp regional and rural-urban disparities; inefficient and inequitable land use; and widespread land tenure insecurity among smallholders, in particular.

The recommendation echoes the theme of the Mo Ibrahim Forum (2025): focus first and foremost on governance, the rule of law, and security to advance the goal of "Financing the Africa We Want."

ISABELLE TSAKOK

INTRODUCTION:

The Republic of Mozambique (hereafter Mozambique), a low-income country with a GNI per capita of USD 570 (2025) (WDI), is one of the poorest countries in Africa and in the world.¹ There is, however, a stark contrast between its low-income status and the abundance of its natural wealth. Its abundant renewable and non-renewable natural resources include (i) its 36 million (m) ha of arable land (of which only around 5 m ha (or 13.8%) are cultivated); (ii) its extensive natural and planted forests (with planted forests accounting for only a small proportion), which cover roughly 40-45% of its total area; (iii) its rich biodiversity, comprising hundreds of plant, mammal, and bird species, many of which are endemic; (iv) its long coastline, unique in the East African Marine Region in terms of its environmental quality, diversity, and abundance of species (including its fisheries); (v) its national parks and other protected areas, which cover roughly 23% of Mozambique's land area; and (vi) extensive reserves of coal, natural gas, gemstones, and other valuable minerals.²

This stark contrast between persistent low income and abundant natural wealth captures the development story of Mozambique to date. The FRELIMO Government (Mozambique Liberation Front) has been in power since independence in June 1975 and has won every election since the Peace Agreement of 1992. Despite its political dominance, however, it has not translated the country's natural wealth into a sustainably productive and diversified economy capable of reducing extreme poverty and generating broad-based prosperity, even during predominantly peaceful times.

Within the context of the prevailing political-economic environment, this policy brief examines the food security situation in Mozambique and the continuing challenges, especially under the threat of climate change. Section I provides a brief overview of major political, social, and economic developments at the macro and trade levels since Mozambique's independence from Portugal on June 25, 1975.³ The focus is on the more recent decades, especially the post-COVID-19 period. Section II analyzes agriculture, the country's main sector, in which most of its rapidly growing population⁴ lives and works. The focus is on the sector's potential, performance, contribution to GDP, employment and trade, agrarian structure, and continuing challenges under the threat of climate change. Section III examines the extent and distribution of poverty and inequality, as well as the existing social safety net. Section IV examines the implications for food security in light of the conditions discussed in Section III, with emphasis on the key challenges. The conclusion identifies possible paths forward for Mozambique, given its current extractive-industry model of development.

1. There are several poorer countries. In Africa, GNI/cap (2025) in Burundi is USD 240; in the Central African Republic USD 560; and in Madagascar, USD 560. In the world, GNI/capita in Afghanistan is USD 390.

2. These include graphite, titanium-rich heavy mineral sands, rubies, tantalum, gold, and rare earth deposits.

3. Portugal colonized Mozambique from 1505 until June 1975, for 470 years. Vasco de Gama arrived in Mozambique in 1498. Portugal established official control of the trading posts around 1505. Its control expanded deeper over the 16th-19th centuries and into the early 20th century. The Mozambican War of Independence lasted from 1964 to 1974.

4. The latest population estimate of Mozambique is 36.8 m (2026). Its annual population growth rate: around 2.77%.

Section I: Mozambique: Major Political, Social, and Economic Developments since Independence from Portugal

Overview of major developmental achievements and setbacks: The GOM succeeded in restoring macroeconomic stability, which provided a conducive environment for recovery. At the end of the 15-year civil war in 1992, Mozambique finally began its process of socio-economic recovery. From 1992 to 2015, Mozambique recorded strong growth, averaging 8% per year, much higher than the 4.4% average for non-oil countries in SSA. There were also large inflows of FDI. Starting with the Mozal Aluminum Smelter megaproject of USD 1.2-2 billion (bn) in 2001-2003, other multi-billion-dollar investments in megaprojects in energy, natural gas, infrastructure, and mining followed. This major influx of FDI helped finance increased public spending, which grew at an average rate of 12% per year between 2000 and 2013 (WBG, 2016). A large portion of public spending, however, was allocated to short-term recurrent and administrative expenditures, leaving just 42% for capital investment in basic infrastructure. These megaprojects transformed Mozambique's development model into one dominated by extractive industries. Investments in these megaprojects could boost annual resource revenues by as much as USD 9 bn by 2032, equivalent to an estimated 7% of GDP (WBG, June 2016).

There was also some good news on the health front. After decades of war, several health indicators improved. Data from Central Mozambique indicate a decrease in maternal and child mortality rates, while life expectancy increased from around 45 years to around 50 years. More generally, infant mortality declined between 1997 and 2012, from 106 to 64 deaths per 1,000 live births, while the child mortality rate dropped from 158 to 97 deaths per 1,000 live births (WBG, 2016). However, HIV⁵ accounted for 29% of deaths, followed by tuberculosis (18%) and malaria (18%) (Noden et al., 2011). The national headcount poverty rate declined from 70% in 1993 to 54% in 2003, a significant reduction of 16 percentage points over the decade. However, the rate of poverty reduction slowed, with a reduction of only 2 percentage points between 2003 and 2009 (WBG, 2016).

Income inequality is high in Mozambique. The Gini index rose from 0.44 in 1997 to 0.50 in 2003 but declined to 0.48 in 2009. Despite this decline, Mozambique is among the African countries with the highest levels of income inequality, although its level remains below those of some of its neighbors: South Africa at 0.541 (2022), Eswatini at 0.546 (2016), Botswana at 0.549 (2015), and Zimbabwe at 0.503 (2019) (WDI, Gini Index).⁶

From recovery to an extractive-industry model of development: major features. After its post-civil-war period of high growth (1992-2015), Mozambique experienced a period of lower growth, averaging 4% annually between 2022 and 2024, and only 2.5% excluding mining and gas (WBG, 2026). From 2016 to 2026, FDI was dominated by massive megaprojects in liquefied natural gas (LNG) and hydrocarbons in the Rovuma Basin in Cabo Delgado. These projects accounted for 85-91% of total FDI inflows, which amounted to USD 5,693 m in 2025, around 60% more than in 2024 (Diário Económico, 2026). Key projects include (i) the Mozambique LNG project (Area 1), a USD 20 bn project led by TotalEnergies, with gas

5. HIV prevalence in Mozambique is estimated at around 12.5% between 2000 and 2026. An estimated 2.2-2.5 m Mozambicans live with HIV. HIV is the leading single cause of death in Mozambique. It exacerbates morbidity and mortality for tuberculosis and other infectious diseases. Prevalence is even higher among some of its southern neighbors: in Eswatini, Botswana, Lesotho and South Africa, at around 15% to 20%. More generally, communicable diseases, especially HIV and malaria, account for a large share of the disease burden, which disproportionately affects children under 5, pregnant women and rural populations.

6. Some estimates, including the World Bank, put the Gini index of inequality of South Africa at around 0.63 (2026).

deliveries expected in 2029; (ii) Rovuma LNG project (Area 4), a USD 30 bn project led by Exxon Mobil; and (iii) Coral Sul and Coral Norte⁷ floating liquid natural gas (FLNG)⁸ (Area 4), including the USD 8 bn Coral Sul floating platform led by Italy's Eni.

There were also public investments. Key projects included: (i) the Nacala-Beira corridor railway and port upgrades (USD 4.4-4.5 bn, completed in 2017), (ii) the ProEnergia project (USD 148 m, 2019), which delivered over half a million new connections bringing electricity to homes, streets, schools, and health posts; (iii) the Temane-Maputo Transmission project (USD 506 m, 2019-2021), primarily urban and Maputo-centric; (iv) the MCC Compact (USD 537 m, September 2023) for Zambezia Province, focused on roads and bridges and improved climate resilience; (v) the Maputo port expansion project (over USD 2 bn, 2024-2025, with phased implementation through 2033 and beyond); and (vi) the National Investment Program (FIPAG)⁹ water plan (USD 1.8 bn, intended to benefit 9 m residents in Mozambique's urban centers) (for highlights in 2025, see BE Global Infrastructure Magazine). These investments are heavily funded by ODA or concessional loans, since some 88% of tax revenues in 2025 were spent on wages and interest. At the same time, Mozambique loses virtually all of an estimated USD 1.4 bn each year through illicit financial flows (IFF).

Mozambique experienced major upheavals and setbacks, even though commodity prices rose in some years. These include:

- The GOM's USD 1.4-2 bn "undisclosed debt" scandal¹⁰ in 2016 (equivalent to 10% of GDP) could hardly have been more damaging to Mozambique's reputation for sound and accountable financial management, and inevitably to the people of Mozambique. This scandal casts a long shadow over Mozambique's development prospects and contributed to economic contraction. Between 2016 and 2019, per capita GDP contracted by an average of 5% (WBG, 2021).
- Mozambique's currency, the metical, crashed,¹¹ and growth slowed markedly to around 3% per year between 2016 and 2019. Investor confidence plunged, and concessional lending was suspended.
- Global commodity prices for coal and aluminum also dropped sharply between 2016 and 2020, only to recover between 2021 and 2024, particularly for coal, gas, and graphite, with the boom partly aided by the 2022 Russia-Ukraine war.
- Unfortunately, this boom period also coincided with the insurgency in Cabo Delgado, which inflicted mass civilian casualties (Smith, April 2021).
- In 2019, Mozambique suffered the devastation of tropical cyclones Idai (March 2019) and Kenneth (April 2019).¹²
- Then came the onslaught of the global COVID-19 pandemic: the economy contracted in 2020, with public debt reaching 122% of GDP.

7. The Final Investment Decision for Coral (Oct 2, 2025) was valued at USD 7.2 bn. The target completion date is expected to be in 2028.

8. These floating platforms operating dozens of miles out at sea bypass the security risks of being on land.

9. FIPAG: Fundo de Investimento e Património de Abastecimento de Água.

10. The debt has not been paid off yet. A major portion was written off by Credit Suisse (now owned by UBS); part was restructured in an out-of-court settlement (2023), and the GOM is still paying interest on the remaining debt. The original loans were taken out by three state-owned enterprises (EMATUM, ProIndicus and MAM) with guarantees secretly signed by government officials, but without parliamentary approval.

11. The metical USD exchange rate before the "undisclosed debt" scandal broke was 30.5 MZN/USD in early January 2016, compared with 77.58-81.50 MZN/USD in October 2016.

12. Mozambique is situated in an extremely active tropical cyclone belt—the Southwest Indian Basin—which generates nearly 10% of the world's cyclones annually. Tropical cyclones originating from this basin hit Mozambique once a year on average.

- Widespread civil unrest followed the elections on October 9, 2024. Nationwide protests against alleged fraud and vote rigging in favor of FRELIMO were severely repressed. Civil society organizations and other monitoring groups reported hundreds killed, thousands injured, and more than 4,000 detained through early 2025. The country's highest electoral court, the Constitutional Council, certified FRELIMO's victory in late 2024. This led to fresh uprisings and violent clashes, constituting one of the most intense waves of anti-government protest in Mozambique's post-independence history.

This combination of large FDI inflows and substantial public investment, alongside recurrent upheavals, means that maintaining macroeconomic stability and ensuring the effective use of these funds are critical determinants of economic performance and, inevitably, Mozambique's socio-economic well-being. Mozambique has struggled to maintain macroeconomic stability and a conducive credit environment for private-sector business. The key factors include (i) global shocks that led to imported inflation, with consumer prices reaching 13% by mid-2022 before moderating to 4.4% in 2025 (AfDB, June 2026); (ii) its high indebtedness, with the debt-to-GDP ratio averaging 90-91%, thereby increasing the risk of debt distress; and (iii) a massive government wage bill, estimated at 202.9 bn meticaïs in 2024 and 209.1 bn meticaïs in 2025, accounting for 50% of recurrent government spending. Together with debt servicing, these expenditures amount to 63% of all government spending. These payments absorb nearly 87% of Mozambique's tax revenues. Only a small share of public funds therefore remains available to address Mozambique's substantial needs, improve the well-being and incomes of the vast majority, and support private-sector development.

Section II: Agriculture and the Rural Sector under the Threat of Climate Change

Main features of agriculture and the rural sector: Agriculture, the largest sector, contributes to around 26% of GDP and accounts for 65-70% of total employment, most of which is informal. When primary agriculture, agro-processing, and agro-food trade are combined, the entire agri-food system contributes an estimated 34% of GDP and well over 65% of total employment. Underemployment is extensive. Currently, smallscale, subsistence-oriented agriculture is the primary source of income for the majority of rural households: nearly nine in ten. TFP growth has been virtually stagnant, as the limited growth that has occurred has been driven by expansion of cultivated area rather than crop intensification. Such extensive cultivation increases deforestation and biodiversity loss.

Of Mozambique's 36 m ha of arable land, some 6.5 m ha (or 16%-18% of the total) are cultivated; native forest covers some 45-46% of the country's total land area. Agriculture is primarily rainfed, as no more than 3% of arable land is irrigated.¹³ Crop production dominates although livestock production is also significant. Livestock consists mainly of traditional backyard systems, including the rearing of rural chickens, small ruminants such as goats, and cattle.

The main food crops are cassava, maize (corn), sorghum and millet, rice, pulses, and beans. These are grown mainly by subsistence-oriented smallholders who rely on them for

13. Mozambique's irrigable potential is substantially underused and what infrastructure exists is not strategically placed. Although up to 3 m hectares are suitable for irrigation, only about 180,000 hectares have irrigation infrastructure, just half of which is currently in use. Most irrigation infrastructure is located in the southern region, especially in Maputo and Gaza provinces where agricultural productivity and irrigation potential are the lowest. However, the northern and central regions, where agricultural potential is highest, have substantially lower levels of irrigation coverage (WBG, 2016).

their household food security. The main cash crops are sugarcane, tobacco, cashew nuts, sesame, soybeans, pigeon peas, and cotton. Sugarcane is mainly grown on large-scale plantations and by outgrowers. Contract farming with international buyers is common for tobacco. Cashew nuts are collected mainly by smallholders who export 80-90% of them as raw nuts, although the GOM has been providing incentives for local processing. Cotton is also exported as ginned raw fiber instead of finished textiles because Mozambique lacks the required industrial infrastructure.

Yield levels are uniformly low for the main food crops, with significant gaps relative to their potential, even when compared with the lower SSA averages. For example, cassava yields average 6-9 tons/ha, compared with a potential yield of 15-20 tons/ha and an SSA average of 10-12 tons/ha. For maize, the corresponding figures are 0.8-1 ton/ha, 4-5 tons/ha, and 1.8-2.2 tons/ha, respectively. For sorghum and millet, smallholder yields average 0.5-0.7 tons/ha, versus potential yields of 2-3 tons/ha and an SSA average of 0.9-1.1 tons/ha. For pulses and beans, smallholder yields average 0.4-0.6 tons/ha, versus potential yields of 1.5-2.0 tons/ha and an SSA average of 0.7-0.9 tons/ha. Finally, for rice, the corresponding figures are 0.9-1.3 tons/ha for smallholders, 4.0-5.5 tons/ha for potential yields, and 2.2-2.6 tons/ha for the SSA average.

These low yields and significant gaps for food crops contrast with the situation for commercial crops. Though there are still gaps, they are smaller than those for food crops. For sugarcane, the Mozambique yield is around 55 metric ton (MT)/ha, while the potential averages 80-100 MT/ha and the SSA average is around 60 MT/ha. For tobacco, the corresponding figures are 0.8-1.1 MT/ha, 2.0-2.5 MT/ha, and 1.2-1.4 MT/ha respectively. For cotton (dominated by rainfed farmers), the Mozambique yield is 0.5-0.7 MT/ha, versus a potential yield of 1.8-2.5 MT/ha and an SSA average of 0.8-1.0 MT/ha. For cashew nuts, the corresponding figures are 0.35 MT/ha, 1.0-1.5 MT/ha for dwarf varieties, and 0.45 MT/ha, respectively. For sesame, commercial farms average 0.4-0.6 MT/ha, versus potential yields of 1.2-1.5 MT/ha and an SSA average of 0.5-0.7 MT/ha respectively. Finally, for soybeans, the Mozambique commercial farms average 1.0-1.2 MT/ha, versus potential yields of 2.0-3.0 MT/ha and an SSA average of 1.1-1.3 MT/ha.

There is little doubt that food-crop yields and agricultural productivity more generally need to improve substantially, requiring smallholders to increase their use of fertilizer and improved seeds, among other inputs. However, when interpreting these yield figures, it is important to remember that they reflect both human-induced and natural factors. Yield levels are highly variable, largely because rainfed systems prevail except for sugar cane. Agriculture is inevitably vulnerable to frequent droughts, floods, and cyclones, which are major sources of yield variability. The high risk and variability of agricultural production discourage investment in more productive technologies, thus perpetuating a vicious cycle of low productivity, high risk, and continued low productivity.

With climate change, the severity and frequency of disastrous weather events are projected to increase. Mozambique is the only African nation considered at high risk from three major natural disasters: recurrent floods, drought, and cyclones.¹⁴ Mozambique is also among the ten countries most vulnerable globally to climate change and natural hazards. Its location, extensive coastline, and large expanse of low-lying hinterland contribute to its vulnerability (WBG, 2023). Climate change is intensifying the El Niño cycle for November 2026-January 2027, bringing drought to central and southern provinces, and above-average rainfall to northern Mozambique. Rising temperatures are accelerating desertification in vulnerable interior regions. Already-low yields are projected to fall further.

14. Mozambique is also at risk from seismic activity given that it is located on the East African Rift fault line.

There are also health risks, as the incidence of malaria and other infectious diseases such as dengue fever, Zika, and Rift Valley fever may increase. With flooding occurring amid widespread poor sanitation, the incidence of cholera and other diarrheal diseases is also likely to increase. If nothing is done to adapt and strengthen resilience, the impact of climate change could cost Mozambique USD 2.3 bn to USD 7.4 bn between 2003 and 2050 (WBG, 2016).

However, raising the productivity and resilience of smallholder farming will require much more than the adoption of modern technologies. Important constraints include:

- **Lack of market connectivity:** Smallholder farming is poorly connected to value chains and to broader urban and foreign markets because of major gaps in infrastructure serving rural areas. The share of smallholder production marketed by value barely increased between 2002 and 2012, from 12% to 13%. In 2012, only 18% of smallholder maize and 13% of rice production were sold. For example, because of farmers' isolation in Nampula and Zambezia, farmgate prices of several crops (e.g. corn, rice, sorghum, large groundnuts, beans, and peas) rose more slowly than in the rest of Mozambique between 2008 and 2012 (WBG, 2016).
- **Infrastructure deficiencies:** Poor infrastructure particularly constrains commerce and trade between northern and southern Mozambique, as well as with neighboring countries such as Malawi and Tanzania. Railways and ports are used mainly for mineral exports. Rural roads in Cabo Delgado remain some of the worst in Mozambique. Zambezia and Nampula provinces¹⁵ have both high agricultural potential and high levels of poverty, yet they are poorly served by transport, logistics, and marketing infrastructure.
- **Limited electrification access:** Historically, these two provinces were poorly served in terms of electrification, although the situation has improved in recent years.¹⁶ Grid access in 2020-22 stood at 25% in Nampula, 18% in Zambezia, and at below 10% for most rural households, which relied mainly on firewood and charcoal. Access improved markedly when connection fees to the national grid were waived in December 2020. However, poverty still meant that many rural families faced difficulties accessing solar mini-grids.
- **Widespread land-tenure insecurity:** In addition to infrastructural constraints, the virtual non-existence of land tenure security for smallholders is a major constraint to investment and contributes to limited access to credit and input and output markets. According to Mozambique's 2004 Constitution, all land belongs to the state, so land cannot be sold, mortgaged or otherwise alienated. The 1997 Land Law enables individuals, communities and private companies to obtain long-term land-use rights through government titles known as Land Utilization Rights (Direitos de Uso e Aproveitamento da Terra (DUATs)). DUATs can be transferred but cannot be sold or mortgaged. The process of obtaining and using DUATs is, however, cumbersome and time consuming, and subject to official discretion, corruption, and land conflicts. For example, private companies seeking DUATs are required, in principle, to engage in free and comprehensive consultations with the relevant affected individuals and communities and to obtain their informed consent to relinquish their rights to the land. The GOM is required to certify that these consultations have taken place before approving the granting of DUATs. In practice,

15. The Nampula and Zambezia provinces are home to roughly 45% of Mozambique's total population.

16. With donor funds targeted at Nampula and Zambezia, there was a massive push through the GOM's program of Energia Para Todos (Energy for all). In the second phase of the project, the AfDB targeted Zambezia and Nampula, contributing to a rise in the national electrification rate to 66.4%.

the consultations are often superficial and lack meaningful community representation. Furthermore, the geographical boundaries of the land in question are frequently indeterminate, leading to conflicts between DUAT holders, especially when overlapping subsoil and agricultural rights are concerned. Thus, the DUAT process has often resulted in land disputes around industrial and coastal sites as well as mining and megaprojects. Such disputes undermine the efficiency of land use and discourage investment not only in agriculture but also in agribusiness, forestry, and tourism, thereby constraining efforts to raise productivity, create jobs, and grow the economy.

- Dualism in agriculture: Agricultural dualism, a legacy of the Portuguese colonial period, was maintained after independence in June 1975. There are 3.2 m subsistence-oriented smallholder farms, each averaging 1-2 ha (median size: 0.16 ha in 2026), coexisting with an estimated 400 medium-to-large-scale commercial farms, averaging 700-6,000 ha each.¹⁷ Smallholders operate primarily under customary land rights, with limited land tenure security at best. The commercial farms and firms hold formal DUATs, with 50-year renewable concessions. In Zambezia and Nampula, foreign investors hold the majority of these large DUATs. More generally, these large enterprises¹⁸ invest in commercial agriculture (including large-scale production of grains, such as soybeans and maize); cotton, tobacco, and cashew nuts; large-scale poultry and animal feed; industrial forestry and renewable energy infrastructure. Smallholders are primarily rainfed farmers who rely on family labor (women perform around 79% of the work), and occasionally on seasonal paid workers. They have virtually no access to credit, as they lack collateral, and receive few of the benefits of agricultural research and extension services.

Section III: Poverty, Vulnerability, Inequality, and Human Capital

Poverty, vulnerability, inequality and their distribution: Extensive poverty and vulnerability are inevitable consequences of a low productivity, low-value-added, and low-growth economy characterized by pockets of development largely around megaprojects, but without an agricultural, rural, or economy-wide transformation.

Poverty levels are high regardless of how they are measured. Using the international extreme poverty line of USD 3/day, 81.4% of the population was poor in 2022, a slight decrease from 81.6% in 2019/20. At the national poverty line, the rate declined from 62.9% in 2019/20 to 61.8% in 2022. Rural areas have a higher poverty rate than urban areas, at 88.5% and 67.7%, respectively. Large rural households and agricultural workers are among those who are hardest hit. The multi-dimensional poverty level stands at 85% (2022).

Poverty levels are highest amongst people without education, at 88.3%, and lowest among those with tertiary or post-secondary education, at 23.7%. In terms of age groups, young children are the hardest hit, at 86.5%; the poverty rate is 76.7% for the 15-64 age group and 76.9% for those aged 65 and older. The highest poverty rates are concentrated in the northern and central regions, particularly in Nampula, Cabo Delgado, and Zambezia, whereas the southern region registers the lowest rates, especially in Maputo Province and Maputo City.

17. Seven large farms which were studied have operational sizes averaging 1900 ha (700-6000 ha). They grow plants on a large scale, including cereals (maize and rice), cotton, oil seeds, and macadamia nuts. They also process their crops for marketing. They employ managerial staff and large pools of seasonal workers.

18. The foreign investors are mainly from European countries, Mauritius and South Africa. They also invest heavily in mining and renewable energy.

The extent of vulnerability is highlighted by comparing poverty levels using the lower-middle-income poverty line of USD 4.2/day, at 89.1%, and the upper-middle-income poverty line of USD 8.3/day, at 96.3% (WB, October 2025).

The health situation is also a cause for concern, though there have been some improvements. Around 50% of the population has limited access to safe water, and hygiene services (WASH). This limited access is more severe in rural than in urban areas, at 77% versus 35%, with large regional differences. For example, access in Maputo Province is at 88%, but below 40% in Zambezia and Niassa. Only 88% of health facilities and 30% of schools have access to WASH.¹⁹ Poor access to WASH exposes the population in general and children in particular, to pathogens, contributing to regular cholera outbreaks and the spread of endemic diarrheal diseases.

In addition, malnutrition remains severe. The rate of stunting (low height for age) among children aged 0-5 years ranges from 36% to nearly 38%;²⁰ wasting (low weight for height) is around 3.9%; the prevalence of being underweight is roughly 27%; and obesity is around 4.6%. The northern provinces of Cabo Delgado, Nampula, and Niassa have the highest incidence of stunting. Anemia among women of childbearing age is around 51.9%, higher than the SSA average of 39%-43%.

Despite progress, the maternal mortality rate is 408 per 100,000 live births, far above the 2015 Millennium Development Goal benchmark of 228 per 100,000 live births. However, infant and child mortality rates have improved between 2000 and 2026. The infant mortality rate declined from 105 per 1,000 live births in 2000 to 40.60 per 1,000 in 2026; the child mortality rate declined from 170 per 1,000 live births in 2000 to 48 per 1,000 in 2026.

Although the fertility rate has also declined from 5.83 children per woman in 2000 to 4.34-4.5 children per woman in 2026, population growth remains high at 2.8% per year. Although outlawed by the government, child marriage (involving girls under 18 years old) averages 48%, placing Mozambique around ninth or tenth among the countries with the highest rates in the world.²¹ Partly because of the high level of child marriage, Mozambique has a young population: almost 66% of the population is under the age of 25.²²

With such a youthful population and extensive underemployment, providing gainful employment for young people risks becoming an increasingly serious socio-economic problem, further contributing to Mozambique's fragility. Against this background, Mozambique's population growth rate remains high at 2.8% (2026). Due to population growth, the number of poor people is projected to increase significantly, by around 1.3 m (WB, April 2021).

19. Education and health infrastructures are threatened by climate change. Some 70% of schools are in areas at high risk from one or more hazards. The impact of climate disasters on health infrastructure is very high, with expected average annual damage varying between USD 6.4 and USD 20.1 m per year (WBG, 2023).

20. It is higher than the SSA average for low and lower middle-income countries at 30% to 35% respectively. More than 50% of children in the bottom income quintile suffer from severe stunting compared to less than 25% in the highest quintile.

21. Niger has the highest level of child marriage at 76%.

22. The United Nations projects that by 2030, nearly 42% of the population will be under the age of 15. Mozambique's dependency ratio is high because of (i) a high fertility rate, although fertility rates have declined from 4.96 (2020) to an estimated 4.62 per woman (2025), it is still high. The replacement level is 2.1 children per woman. Fertility levels are much higher in rural areas at over 6 children per woman, than in urban areas at around 4.4 per woman; (ii) contraceptive use among women of reproductive age dropped from 17% in 2003 to 12% in 2011 and stands at just 3% among the poorest women; (iii) there are 105.9 females per 100 males.

Inequality in income and wealth is high in Mozambique. The Gini index of income/consumption inequality increased from 0.40 in 1996/97 to 0.51 in 2014/15.²³ Between 1996/07 and 2019/20, real consumption among the bottom 10 percentiles had declined by 2019/20 even relative to its 1996/97 level, with negative annual growth rates ranging from about -1% to -2%. The experience of the richest percentiles was much better: they experienced positive growth, with the top of the consumption distribution attaining annual growth rates of 1-2% (Barletta et al., UNU-WIDER working paper, December 2022).

The inequality also has important spatial dimensions. These include the following:

- There is a stark urban-rural divide and a marked north-south gradient.
- Inequality is higher in urban areas of southern Mozambique than in rural areas of central and northern Mozambique. More recently, between 2014/15 and 2019/20, rising inequality also spread to previously less affected rural and northern areas.
- Average real consumption in rural areas, measured as a percentage of average real consumption in urban areas, fell from 73.5% in 1996/97 to 46.3% in 2019/20. The rural-urban disparity has therefore widened.
- Average real consumption in the north and center, as a percentage of average real consumption in the south, fell from 89.7% in the north and 76.6% in the center in 1996/97 to 47.3% in the north and 64.2% in the center in 2019/20. The regional disparity has therefore widened.

In addition to increasing inequality, the growth elasticity of poverty reduction (GEPR), which stood at -0.26 between 1997 and 2006, was already only about half the SSA average (where a 1% increase in GDP was associated with a 0.5% reduction in poverty between 1997 and 2009), and it declined further after 2019. Poverty rates in Nampula and Zambezia are the least responsive to economic growth (WBG, 2016).

The low Human Capital Index (HCI) for Mozambique is a cause for concern. The HCI measures the amount of human capital a child born today can expect to attain by age 18, given the risks of poor health and education in the country in which he/she lives. Mozambique's HCI was 0.36 in 2018, lower than the SSA average of 0.40 and the world average of 0.57. The UNDP HDI for Mozambique is higher, at 0.493 (2023),²⁴ but it is still within the "low human development" category.²⁵

As with other development indicators, there are substantial spatial and regional disparities. Thus, the HDI is 0.661 in Maputo City and 0.633 in Maputo province, compared with 0.443 in Niassa and Zambezia and 0.446 in Cabo Delgado. The approximate 0.218 HDI-point gap in HDI between Maputo City and the rural north is remarkable by global standards. Within a single national border, there appear to be two different countries. Low human capital traps the rural poor in poverty, thus excluding them from the gains of economic growth.

23. The World Bank's estimates over the same period are even higher: 0.47 in the 2000s to 0.56 in 2015. These estimates make Mozambique the seventh country most unequal in SSA in the 2000s (WBG, 2021), with a level of inequality close to Angola. Other high Gini coefficients are: (i) South Africa at 0.63; (ii) Namibia at 0.591; (iii) Botswana at 0.549; (iv) Eswatini at 0.546; (v) Zambia at 0.515; and (vi) Angola at 0.513. In 2015, Mozambique ranked third. Zimbabwe stood at 0.503 in 2019.

24. For SSA, average HDI (2026) is 0.568. There are significant disparities in SSA. For example, HDI for Seychelles is 0.848, and Mauritius is 0.806. South Sudan has the lowest HDI at 0.388.

25. The different thresholds for HDI are: low—below 0.550; medium—0.550 to 0.699; high—0.700-0.799; and very high—0.800 and above. For comparison, the HDI for India is 0.685; China is 0.797; and Southeast Asia is 0.593 to 0.949.

Literacy is an important component of human capital. Illiteracy is high among adults at 39%, with stark spatial/regional differences. The rural illiteracy rate stands at 50.7%, versus 18.8% in urban areas. Maputo City has the lowest illiteracy rate, at around 7% (with Maputo Province at around 12%), while the rates in Nampula Province and Zambezia are around 45-50% and 45-52%, respectively. Illiteracy is considerably higher among women than men, at 49.4% versus 27.2%.

Although the GOM has succeeded in expanding primary school enrollment, Mozambique has fallen behind its peers in SSA and other low-income countries in terms of completion rates. Primary completion rates have, in fact, worsened in recent years. Learning poverty is 90%, meaning that only 10% of 10-year-old children can read and understand a simple text. The underperformance of girls in learning, especially in Portuguese, is considerable. There are also large differences in test scores between boys and girls, particularly in central and northern Mozambique (WBG, 2021).

The scale, structure and impact of Mozambique's social protection system: The social protection system helps only a minority of the poor given the scale of poverty and vulnerability in Mozambique. Although the GOM increased social spending to 0.94% of GDP in 2021, spending was estimated at 0.8%-1% of GDP for 2022-26. However, this remains far below its own target of 2.23% of GDP by 2024.

The current system implements three core programs: (i) the Basic Social Subsidy Program (Programa de Subsídio Social Básico), a social pension for poor households without adults able to work, including older people and adults with disabilities; (ii) the Productive Social Action Program (Programa de Acção Social) for those able to work, and (iii) the Direct Social Support Program (Programa de Acção Social Directa), providing temporary assistance for households experiencing idiosyncratic shocks affecting their consumption and income.

Some 2 m people benefit from one of the country's three key programs, representing approximately 14% of the poor, or 8% of the entire population. Current programs do not effectively target poor households with children or urban youth. Only 4.5% of the employed workforce is covered by social security, and in 2009 only 11.8% of people over the age of 60 received a pension. Moreover, very few elderly people who received a pension were in the poorest quintiles of the population (WBG, 2016).

Other problems with social protection spending include:

- The benefit amounts for the PSSB have not been revised since 2018. At 2024 prices, around 50% of their real value has been eroded.
- The transfer value of PASP has not increased since 2012, despite inflation. Poor households receive MZN 217/household/month, for a maximum of 4 months, equivalent to MZN 1.6 per household member per day, or 17% of median per capita consumption of the poor. Poor families with children in Nampula and Zambezia are particularly disadvantaged.
- The minimum retirement pension paid by the Instituto Nacional de Segurança Social (INSS) was MZN 3000/month, which covers only the basic food needs of the poorest families, in comparison to the pensions paid by the Ministry of Finance, which are more than 75% of the INSS pension.
- There are substantial regional disparities in the distribution of transfers: Nampula and Zambezia, which have the largest shares of the poor, receive the lowest levels of spending per person living below the poverty line.

- Rural-urban disparities are pronounced.
- In urban areas, only 4.7% of the population is targeted by social protection programs. However, one-third of all beneficiaries are in Maputo Province, which has the lowest poverty rate in Mozambique.

Moreover, a key weakness of the social protection system is that it is overwhelmingly supported by concessional funding. Thus, when the “hidden debt” scandal broke in 2016, concessional funds dried up, plunging the social protection system into crisis.

Section IV: Food Security Situation in Mozambique and Key Challenges under the Threat of Climate Change

Widespread food insecurity given extensive poverty and recurrent shocks under the threat of climate change: Despite its abundant mineral and gas wealth and vast amounts of arable land, poverty and hunger levels in Mozambique are high, regardless of how they are measured. Food insecurity is therefore widespread. Some 80% of households are unable to afford an adequate diet, while nearly 30% are chronically food insecure (WBG, 2021).

The situation regarding chronic and acute malnutrition is especially severe in the northern and central provinces of Cabo Delgado, Nampula, Zambezia, Tete, and Manica, while the southern provinces and the urban centers of Maputo City and Province, Gaza, and Inhambane are the least affected. While rural rates of poverty are higher than urban rates, rapid urbanization²⁶ is likely to cause urban poverty rates to rise unless urban areas experience strong and broadly shared growth in the near future.

Children under five years old, pregnant and breastfeeding women, and internally displaced persons (IDPs) are among the groups most severely affected. Over 40% of children under five suffer from chronic malnutrition. Such a high level of malnutrition has devastating effects on their human capital development and helps perpetuate poverty and low productivity (WBG, 2021). Not surprisingly, children born to the highest wealth quintile and to mothers with secondary and higher education living in Maputo Province and City are least affected. As of 2025, there are an estimated 609,000 IDPs displaced by internal conflict and climate shocks (Relief Web, July 2026).²⁷

The frequency and severity of natural disasters deepen poverty and compound the effects of human-induced shocks. Mozambique has regularly experienced devastating droughts, floods, and cyclones, including the extended dry period of 2002-05; floods in 2000; and cyclones in 2019, 2021, 2023, and 2025-26.²⁸ With climate change, such shocks are projected to become even more severe and frequent as temperatures rise, rainfall becomes more irregular, and sea levels rise.

The impacts of climate change are expected to increase over the coming decades. Due to climate change, yields of major crops such as cassava, sorghum, soybeans, and

26. Mozambique is primarily rural although it has been experiencing a high rate of urbanization. Thus, the rural: urban breakdown was 70.9:29.1 (2000); 66.1:33.9 (2020) and 57.9:42.1 (2026).

27. Another estimate puts the number of people displaced by the resurgence of violence in Cabo Delgado at one million (WBG, 2023). In addition to displacing people, such resurgence halts operations on the mega-projects and deters FDI.

28. Mozambique has suffered from at least 15 devastating cyclones and major tropical storms since the 1990s. These occurred in 1994 (1), 1996 (1); 2000 (2), 2003, 2007, 2008, 2012, 2017, 2019 (2), 2021, 2023, 2024, 2026. Note the increased frequency. Between 1950-2018, Mozambique has been visited by more than 90 tropical cyclones. From 1980 to 2020, floods and storms were the first and third most recurring natural hazard on average, with 33% and 22% incidence, respectively. The most drought-affected province is Zambezia followed by central and southern provinces (Manica, Gaza, Sofala and Inhambane).

groundnuts, which are already low, are estimated to decrease by 2-4% over the next 40 years, particularly in the central region. Cash crops will also be affected. In periods of low agricultural productivity, agricultural trade will suffer disruptions, for example in sesame and soybeans, as farmers prioritize food crops.

Climate change will also threaten Mozambique's rich natural habitats, endangering incomes from nature-based tourism (NBT), which plays a key role in rural poverty reduction. Local communities also depend on these natural resources for food, energy, and medicine. Water scarcity is expected to worsen under climate change, making it even harder to shift away from subsistence agriculture and complicating Mozambique's efforts to diversify its economy beyond it.

Increasing water scarcity will affect women, who may be required to walk even longer distances to fetch water, exposing them to higher rates of sexual harassment and gender-based violence (GBV), and further limiting girls' ability to attend school.²⁹ The negative impact of these factors on labor productivity and growth is expected to be significant.

Under the worst-case "hot" scenario, poverty is likely to increase significantly by 2050,³⁰ as labor productivity, especially among those working outside in higher temperatures, is projected to decline by 12% in agriculture, 10% in industry, and 3% in services (WBG, 2023). Increased temperatures raise the risk of heat stress and severe dehydration, cardiovascular and organ strain, the spread of malaria, and cholera and diarrheal outbreaks, among other health problems. Together, these effects exacerbate malnutrition and food insecurity.

A key challenge is therefore the urgent need to strengthen climate resilience among agricultural and rural populations. This will require promoting climate-smart agriculture (CSA) among smallholders, including practices such as conservation agriculture, agroforestry, organic farming, sustainable soil fertility management, and integrated pest management. It will also involve promoting irrigation infrastructure and its efficient use given the projected increase in water scarcity.

These on-farm improvements must be complemented by improved road and logistics infrastructure so that smallholders can access larger and more lucrative domestic and international markets. Greater access to electrification in rural areas is also required. Currently, the rural rate of electricity access is only 4%,³¹ compared with 22% among people in the northern provinces and an average of 75% in urban areas.³²

One key challenge brings another: the need for the GOM to invest at least a substantial portion of Mozambique's mineral wealth from megaprojects in the retraining of farmers, in particular, and in the human-capital development of the poor and vulnerable more generally, as well as in rural market infrastructure (both physical and institutional) to strengthen the connectivity between farms and domestic and global value chains.

29. Future climate-model scenarios also indicate an increased risk of water conflicts resulting from reduced water availability and population growth.

30. Five climate change scenarios developed are: (1) Dry 119- "Dry" scenario 10th percentile change of mean precipitation change across SSP1-RCP 1.9 GCMs; (2) Wet 119- "Wet" scenario 90th percentile change of mean precipitation change across SSP1-RCP 1.9 GCMs; (3) Dry 370- "Dry" scenario 10th percentile change of mean precipitation change across SSP3 7.0 GCMs; (4) Wet 370- "Wet" scenario 90th percentile change of mean precipitation change across SSP3-RCP 7.0 GCMs; (5) Hot 370- "Hot" scenario 90th percentile change of mean precipitation change across SSP3-RCP 7.0 GCMs. GCMs are General Circulation Models (WBG, 2023).

31. Despite the rapid rate of urbanization—averaging 4.4-5% per year—Mozambique is projected to remain predominantly rural until 2040. By 2050, the urban population is projected to exceed the rural population.

32. In Maputo City, the rate of electrification is 97%.

The road network, however, is already highly vulnerable to climate change.³³ Moreover, public funds are under severe stress as their use is dominated by the wage bill (13% of GDP), by debt-service repayments, with the debt burden having reached 130% of GDP in 2020, and pensions.

Given these difficult constraints, there is an urgent need for Mozambique to allocate a larger share of revenues from extractive-industry megaprojects to inclusive agricultural and structural transformation, since revenues from these projects may decline under a net-zero world scenario by 2050, as countries increasingly favor renewable over greenhouse-gas-emitting non-renewable sources of energy.

Ahead of such a net-zero world scenario in 2050, it is therefore urgent that public investments prioritize institutional, infrastructural, and human capital investments to promote a resilient, productive, and inclusive economy. Building such an economy will go a long way toward achieving food security for all. Since the agenda for reform and investment is substantial, there is virtually no time to waste with BAU. The GOM should act now to avoid the resource curse in the decades ahead (Armas et al., World Bank Blog, September 2014).

Conclusion and Way Forward towards Inclusive Growth with Food Security for All

Mozambique remains a low-income country characterized by a vast, subsistence-oriented agricultural and rural sector and widespread poverty. It is not food secure.

The way forward is reflected in the theme of the Mo Ibrahim Forum (2025) on “Financing the Africa We Want.” It rightly points out: “First, domestic financial resources can be better leveraged. Drying up illicit financial flows (IFF) that continue to drain out of the continent more than ODA received...; Second, domestic natural resources must be efficiently monetized to benefit and prioritize our continent’s people...; and Third, we need to increase our continent’s attractiveness for private capital...”

It further states: “First and foremost, and this is our sole responsibility, focus on governance, rule of law, security, without which none of the above will be possible. Because ownership comes with responsibility and accountability” (Mo Ibrahim Foundation, Forum Report, July 2025).

In seeking to implement these recommendations, Mozambique can learn from the experience of sovereign wealth funds that have been created to help governments strengthen governance,³⁴ transparency, and the rule of law while managing their mineral wealth to build a sustainable, inclusive, and resilient economy.

33. About 60% of the total road network is in floodprone areas, and about 60% of roads in Mozambique are exposed to the risk of traffic disruptions caused by flooding (WBG, 2023).

34. Several governments have created a sovereign wealth fund to avoid the resource curse. These are: Azerbaijan, Botswana, Chile, Ghana and Norway.

Norway's fund enjoys a high reputation for adhering to high institutional transparency and following strict rules. From a historically poor agrarian country, Norway is today a high-income country. Oil production started in 1971. <https://www.nbim.no/en/about-us/about-the-fund/the-history/> The concept of creating a fund to manage the oil revenues for the long term was discussed in the early 1983 and the fund became fully operational by mid 1990s. The creation and adherence to the fund have changed the trajectory of Norway's development. <https://www.nbim.no/en/about-us/about-the-fund/the-history/> It was named Government Pension Fund Global in 2006.

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ABOUT THE AUTHOR



ISABELLE TSAKOK

Isabelle Tsakok, development practitioner, policy analyst, researcher, and teacher, is a Senior Fellow at the Policy Center for the New South. She grew up in the Republic of Mauritius, a multi-lingual, multi-ethnic and multi-cultural society. She holds a PHD in Economics from Harvard University, and a BA in Phil/Econ from the London School of Economics. As World Bank staff and consultant, she has focused on agricultural and rural development including on issues of agricultural transformation, food security, and poverty reduction. She has worked in most regions of the developing world, including Africa –North and South of the Sahara; Asia - South, Southeast and East; and Latin America. She has taught courses on agricultural policies and institutions at the World Bank; the School of Agricultural and Rural Department, Renmin University of China; the School of International and Public Affairs (SIPA), Columbia University; and the Université Polytechnique Mohamed VI, Morocco. Her publications address issues of methodology of partial equilibrium analysis for assessing agricultural policies and distortions; and of agricultural transformation from smallholder, subsistence to demand-driven commercial farming. Her latest book publication is *Success in Agricultural Transformation: What it Means and What Makes it Happen* (Cambridge Univ. Press, 2011).

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Policy Center for the New South

Rabat Campus of Mohammed VI Polytechnic University,
Rocade Rabat Salé - 11103
Email : contact@policycenter.ma
Phone : +212 (0) 537 54 04 04
Fax : +212 (0) 537 71 31 54

www.policycenter.ma

