MOZAMBIQUE
Strategy Support Program

Synopsis: ASSESSING PROGRESS MADE TOWARD SHARED AGRICULTURAL TRANSFORMATION OBJECTIVES IN MOZAMBIQUE

Todd Benson, Tewodaj Mogues, and Silesi Woldeyohannes

Abstract

What has been the recent performance of the agricultural sector in Mozambique and the progress made thus far toward achieving the objectives established under the Comprehensive Africa Agriculture Development Programme (CAADP) initiative for Mozambique that began in late 2011? This policy note is a synthesis of a discussion paper developed to answer that question with the objective of informing the Joint Sector Review (JSR) process for 2014, early in the implementation of Mozambique’s CAADP investment plan—the Strategic Plan for the Development of the Agriculture Sector (PNISA, Programa Nacional de Investimento do Sector Agrário).

Central to the design of national-level efforts under CAADP is a broad ownership and mutual accountability process by which the CAADP stakeholders hold one another accountable for the commitments they have voluntarily made to one another for the successful implementation of CAADP. This commitment is institutionalized within the CAADP investment plan through a regular JSR process.

This policy note highlights both effective features as well as some deficiencies in the initial implementation stages of PNISA. Of some concern at this early stage is that a limited effective coordination mechanism has been put in place to address programming gaps or duplications that may retard progress or result in inefficient use of public resources. Of equal concern is that the mutually agreed-upon milestones and targets have not been sufficiently articulated for PNISA implementation. The quality of the program of mutual accountability will be compromised if choices are not made among program milestones and targets for monitoring, evaluation, and accountability purposes.

BACKGROUND AND CONTEXT

The main objective of the Comprehensive Africa Agriculture Development Programme (CAADP) is to promote investments in agriculture that will spur broader and pro-poor economic growth that, in turn, will result in a reduction in hunger, malnutrition, and poverty across Africa. In addition to setting goals for national annual budget commitments to agriculture (10 percent of the budget) and for agricultural sector growth (6 percent per year), countries participating in the CAADP process also commit to developing national agricultural strategies. Having drafted a strategy, each participating country then develops an investment plan for the strategy to which government, the private sector in agriculture, civil society organizations, donors, and regional organizations commit their support.

National ownership is central to the CAADP process. Such ownership extends beyond the agricultural agencies of government alone to include other sectors within government, civil society organizations, and the private sector involved in agriculture. Moreover, commitment to the national CAADP investment plan involves a broader range of participants—both the national CAADP stakeholders and their international partners. This commitment is established within the national CAADP investment plan in an explicit framework of mutual accountability for agricultural performance and necessary agricultural policy change among all those involved (ReSAKSS 2013).

In the generic design of CAADP country processes, there is an exercise called the Joint Sector Review (JSR), which is an instrument to be used on a routine and scheduled basis to implement the mutual accountability principle of CAADP at the country level. Functionally, the JSR is a platform to assess the performance and results of the agriculture sector and, in turn, assist governments in setting sector policy and priorities. Specifically, they aim to assess how well state and non-state stakeholders implemented pledges and commitments stipulated in the CAADP compacts, National Agricultural Investment Plans, and related cooperation agreements in the sector. (ReSAKSS 2013, 1)

Within the inclusive consultations and discussions that make up a JSR exercise, the stakeholders objectively consider what actions have been taken, resources have been committed, and progress has been made toward the CAADP objectives within a country. In doing so, all stakeholders in the national CAADP process are made accountable to each other as they pursue their common goal of transforming agriculture in the country.

Mozambique signed the CAADP compact document in December 2011. Following the signing of the compact, the National Agricultural Investment Plan (PNISA, Programa Nacional de Investimento do Sector Agrário) was officially launched in April 2013. Both the CAADP compact document for Mozambique and, in more detail, PNISA specify that the activities being carried out within the context of CAADP in Mozambique will be closely coordinated and monitored. This monitoring and evaluation effort will include the generation of joint reviews of PNISA by the government and its partners and annual reports on the performance of the agricultural sector. These reviews are intended to support the country’s JSR process and to serve as a management and policy support tool for inclusive stakeholder planning, programming, budget preparation and execution, monitoring and evaluation, and overall development of Mozambique’s agricultural sector.
The discussion paper from which this policy note is drawn was written to inform those involved in the 2013/2014 agricultural JSR process for Mozambique on both the recent performance of the agricultural sector in the country and on progress made toward achieving the objectives of Mozambique’s agricultural development plan, the Strategic Plan for the Development of the Agriculture Sector (PEDSA, Plano Estratégico de Desenvolvimento do Sector Agrário), through the implementation of PNISA.

As was intended, the authors of Mozambique’s first JSR report made use of the findings of the discussion paper as one of its main inputs.

**METHODOLOGY**

As an analytical paper that intends to inform a policy implementation process, the methodology employed to draft the discussion paper from which this policy note is drawn is a blend of two models that offers a causal theoretical explanation for performance through economic conduct on incomplete markets and helps to evaluate the strengths, weaknesses, opportunities, and threats involved in a process.

The first model refers to the structure–conduct–performance (SCP) model. The SCP framework is borrowed from methods for industrial economics and market analysis. In this context, the description and analysis of the structure, conduct, and performance of the agricultural sector are conducted against mutually agreed milestones and targets. Structure refers to factors such as resource endowments, actors, and other elements that are relatively stable features in the national agricultural sector. Conduct refers to how different stakeholders within or influencing the agricultural sector function and interact with each other to achieve shared or individual goals and objectives. Within this category, policies through which the agricultural and broader development objectives defined for the country are to be achieved and the institutions that are established to take responsibility for doing so are included. Performance is an aggregate of the measures of success in achieving these objectives and goals. From the performance analysis, insights are gained by looking at key questions associated with each performance area. Relevant data and information are used to assess the impact of the actions that have been taken to promote agricultural development.

The second model is a SWOT analysis. In this context, this analysis refers to identification of the strengths, weaknesses, opportunities, and threats (SWOT) in the agricultural sector using the results from the SCP analysis.

**MAJOR FINDINGS**

**Structure, Conduct, and Performance**

*Structure of Mozambique’s agricultural sector*

About 70 percent of Mozambique’s population lives in rural areas and obtains its livelihood from agriculture. The contribution of agriculture to Mozambique’s gross domestic product (GDP) was relatively stable between 2001 and 2010, ranging between 24.2 and 25.6 percent annually (Chilonda et al. 2012).

Crop production makes up 78 percent of the total agricultural GDP, and the livestock subsector contributed 6 percent. The fisheries and forestry subsectors are considered part of the agricultural sector and contributed 7 percent and 9 percent, respectively. Cotton, tobacco, cashew, and more recently, sesame are major export crops for Mozambique. Sugar and, to a lesser extent, tea are other industrial agricultural products of significance (Chilonda et al. 2012).

Mozambique’s agriculture can be disaggregated into a smallholder farmer sector dominated by farm households cultivating relatively small plots of land, principally for own consumption, and a large-scale commercial farming subsector.

Most agricultural activity in Mozambique is smallholder or family farming. The farming household is the principal source of labor on these farms. Between 5 and 10 percent of small farmers use improved seeds and 10 percent use animal traction. As only 5 percent of farmers use inorganic fertilizer, the average application rate on arable land in 2008 was only 5.3 kilograms per hectare. Rough estimates suggest that Mozambique has used only 2 percent of its irrigation potential (Chilonda et al. 2011).

Larger-scale farming on particular crops occurs in different parts of Mozambique. In the irrigated Chokwé area in Gaza Province in southern Mozambique, horticulture and rice production are done on a commercial basis. Similarly, there is a long-standing, large-scale tea subsector in northwestern Zambezia Province. The sugar subsector has attracted several international companies that undertake production under vertical integrated production schemes using irrigation. There are also some large-scale commercial farming areas in which cotton and tobacco are produced under contract-farming systems through contracting smallholder farmers.

Foreign-owned-and-managed large-scale plantations, partly organized with outgrower schemes, were also expanded in the later years of the first decade of the 21st century. In particular, bioethanol- and biodiesel-producing companies, both international and local, with millions of dollars in investment, acquired tens of thousands of hectares of land for the production of biofuels from sugarcane, jatropha, palm, sweet sorghum, coconut, and soya. However, due to the decline in global energy prices, the profile of these large-scale investments in agriculture in Mozambique has diminished more recently.

*Conduct: public policies in agriculture and the actors involved in their implementation*

The Five-Year Program of Government (PQG, Plano Quinquenal do Governo) and the Action Plan for the Reduction of Absolute Poverty, 2011–2014 (PARPA, Plano de Acção para Redução da Pobreza Absoluta) are the two major strategic documents that currently guide any policymaking exercise in Mozambique. The principal objective of PQG is combating poverty and improving the living standard of the people, and that of PARPA is the medium-term strategy designed to operationalize how PQG’s objectives will be attained.

---

Like the other strategically important sectors, agriculture has its own medium-term strategies. Currently, PEDSA is the strategy that lays out the vision for development in the agricultural sector in Mozambique and how the government will prioritize its allocation of resources to that end. PEDSA is to guide agricultural development in the country over the period 2011 to 2020.

In principle, the national development program (PQG) and the midterm strategy (PARPA) are the foundations of the agricultural sector strategy, PEDSA, while the policy content of PEDSA is justified by and integrated into PQG and PARPA.

The medium- and long-term vision of PEDSA is based not only on national directives for agriculture but also on the priorities set out in CAADP. PEDSA has five strategic objectives. The four pillars of CAADP—sustainable development of natural resources, markets and infrastructures, food production, and agricultural research—serve also as foundations for PEDSA at both strategic and operational levels. PEDSA was developed following a nominally participatory approach that involved all stakeholders, including representatives of producers, service providers, cooperation partners, researchers, and civil society.

In line with CAADP’s target of 6 percent annual economic growth in the agricultural sector, PEDSA establishes a higher target of at least 7 percent agricultural growth per year. The sources of this growth are envisioned to be a combination of a doubling of yields and an increase in the area under cultivation by 25 percent by 2019.

PNISA is the national investment plan for undertaking the actions needed to achieve the objectives for the development of Mozambique’s agricultural sector as established in PEDSA. The five components of PNISA are in alignment with the five strategic objectives of PEDSA, although not with complete one-to-one correspondence. PNISA also serves as the investment plan that is part of the framework for operationalization of CAADP at the country level. It was developed by a technical team that was established after the signing of Mozambique’s CAADP compact in December 2011. This team worked in a consultative manner with government agencies across multiple sectors, donors, the private sector, and civil society. PNISA was launched in April 2013 and covers the period 2013 to 2017.

Under each of the five PNISA components are detailed sets of programs and subprograms—21 programs and 61 subprograms in total. With such a large number of priorities, PNISA allows for a very broad scope of action. Budgets are established for each of these subprograms so as to determine the total financial resources required for implementing PNISA from 2013 to 2017. These budgets total 112 billion meticais, or about US$ 4 billion. The “Production and Productivity” component of PNISA is allocated the bulk of the budget—almost 85 percent.

Consistent with the CAADP compact, the government of Mozambique and donors agreed to mobilize funds for the achievement of PEDSA’s objectives. However, at the time PNISA was launched, there was a sizable financial gap of 78 percent of the total budget. Filling that gap will be an important challenge for the effective implementation of PNISA.

The Council of Ministers is responsible for providing strategic direction for the program and to ensure the allocation of the necessary resources, while the Minister of Agriculture is responsible for submitting reports to the Council of Ministers on the implementation of PNISA and progress toward attaining the PEDSA objectives. A second level of coordination, the Agricultural Sector Coordinating Committee (CCSA, Comité de Coordenação do Sector Agrário), is also chaired by the Ministry of Agriculture (MINAG). The CCSA is to ensure regular and effective dialogue between all involved in the PNISA implementation. A third level of coordination of the program will be at the provincial and district levels and has a greater focus on implementation.

At the center of these agricultural development processes are different bodies of government (the president, parliament, the Council of Ministers, provincial governments, and MINAG with its provincial- and district-level directorates) that interact with one another to devise a new policy or strategy that pertains to the agricultural sector and that is consistent with overarching national programs and strategies and with regional and international commitments. Also involved are Mozambique’s development partners. As these donors play a significant role in financing
many of the programs that emerge from policy redirection and reform, they also closely engage in the discussions on the design of reforms in the agricultural sector. There also are different non-governmental stakeholders involved that include farmers and farmer groups, civil society groups, and private-sector firms and interest groups that try to influence the agricultural policymaking process through consultation with government bodies at different levels. Finally, there are several policy research institutions that provide information to guide the agricultural policymaking process in Mozambique.

Performance: agricultural development achievements under PNISA

PNISA was made public in April 2013. Although PNISA has 21 programs and 61 subprograms, only an outline of how the PNISA implementation was to be evaluated and monitored was provided in the PNISA document at the launch of the program. It is clear that the programs and subprograms of PNISA require considerable elaboration before implementation can begin for any of them. For these reasons, the details of PNISA’s implementation and how the various participants are fulfilling their responsibilities cannot be comprehensively examined in this brief document.

Nonetheless, a couple of observations on the implementation of PNISA to date can be made. In the best case, considerable headway should have been made since its launch in moving PNISA from being a statement of intent into action. One of the initial steps identified in PNISA in this regard was to develop the coordination system for PNISA implementation centered on the CCSA. However, little evidence shows that this has yet been done effectively. It is expected that, in consequence, if responsibilities have been assigned for designing specific action plans for the many programs and subprograms of PNISA, the action plans that emerge will not be sufficiently well coordinated and may have both duplication and gaps that will impede progress toward the overarching PEDSA objectives. Even without having detailed knowledge of PNISA activities at the program and subprogram levels, no actively operating coordination body or mechanisms are found in place to guide implementation.

Second, one aspect of coordination is to monitor key elements of the implementation process. Although at least one attempt has been made to develop a set of indicators for monitoring PNISA implementation, that attempt has yet to be completed. Mutually agreed-upon milestones and targets are still missing on various elements of PNISA. The potential for the agricultural JSR exercise to lead to more effective implementation of PNISA will be constrained so long as the participants do not have a complete set of mutually agreed-upon indicators by which to assess how well the action plan is being implemented, and by which the CCSA can assess the quality of PNISA implementation. More broadly, the mutual accountability that is built into the design of PNISA under commitments made in the CAADP–Mozambique compact likely has not yet been realized.

These two observations are all that we can confidently make on the performance of PNISA implementation so far. Making more detailed observations would require more specific information on the rolling out of activities under PNISA.

Strengths, Weaknesses, Opportunities, and Threats in the Implementation of the PEDSA Agenda through PNISA

In terms of achieving PEDSA’s objectives and goals, three factors are identified as major strengths. First, a reasonably broad coalition of stakeholders is involved in the CAADP–Mozambique process and the development of PNISA. Second, the signing of the CAADP–Mozambique compact commits stakeholders to work toward the PEDSA objectives in the manner articulated in PNISA. Third, high-level political support for PNISA has been articulated by the president and the Council of Ministers.

Similarly, three factors are identified as major weaknesses. First, there are indications that the CAADP–Mozambique process and the implementation of PNISA are primarily MINAG’s activities, with little participation of other stakeholders. Second, PNISA is very broad in scope. Considerably more prioritization and pruning of programs and subprograms could have been done. This has ramifications on raising the resources needed for implementation. Third, PNISA is ambitious and is at risk of requiring greater human capacity to implement than is available in rural Mozambique.

There are also three factors identified as major opportunities. First, donors have exhibited considerable will to see Mozambique achieve some tangible degree of agricultural transformation through the successful implementation of PNISA. Second, the significant contributions to the Mozambican economy that are foreseen in mining and natural gas exploitation will potentially allow an increase in government financing of PNISA. Third, the lead-up to the elections in late 2014 may provide a pro-PNISA political environment.

Threats are contextual elements that have a potential to impede the intervention in accomplishing its objectives and goals. In this regard, two issues can be seen as threats. First, delays in organizing the coordination of the activities under PNISA will result in a loss of coherence and will retard progress toward the PEDSA objectives. Second, the elections in 2014 may mark a high point in political commitment to PNISA that may end up being rapidly eroded thereafter as election-period promises confront the day-to-day reality of governing the country.

CONCLUSION AND RECOMMENDATIONS FOR IMPROVING PERFORMANCE

Overall, the development of PNISA and the rollout to implementation has been sufficiently successful to keep stakeholders engaged in the process. PNISA appears to provide a workable action plan for achieving the objectives of PEDSA, although considerably more work at refining the action plan is needed before many of its stakeholders will make firm commitments to invest in its operationalization.

Actions need to be taken soon to better coordinate PNISA programs and subprograms, to address the funding gap, to internally prioritize and possibly better sequence programs, and to obtain stronger commitments to its implementation across the full set of stakeholders. Any gains that have been made in building commitment to the broad agricultural development objectives of PEDSA to which PNISA implementation will contribute could be lost in the coming months without strategic efforts to accelerate coordinated action under PNISA.
The following list highlights a few action steps that flow from the discussion immediately above:

- Operationalize the CCSA to coordinate activities under PNISA and to ensure that those activities are adequately monitored.
- The CCSA should develop of a set of mutually agreed-upon milestones and targets organized around five performance areas:
  - Broad development objectives
  - Overall agricultural-sector growth targets, with specific subsector and commodity-specific targets
  - Financial and nonfinancial resources required for implementation
  - Policies, programs, institutions, and implementation processes
  - Linkages in the agricultural sector that connect investments to sector performance
- Conduct an internal prioritization and sequencing of programs and subprograms—via the recognition that PNISA is ambitious in scope but facing a significant gap in financing—so as to better match actions to available resources.

MINAG should develop stronger links with national stakeholders in PNISA implementation to build engagement and a stronger sense of accountability from the private sector and civil society organizations, especially.

References

