

THE POWER OF VOICES PARTNERSHIP

Enabling Pro-Poor Value Chains



The economy of Mozambique is essentially agrarian. Agriculture has a very significant weight in the national economy, contributing about 24% to the Gross Domestic Product (GDP). With a population of 30.37 million and an annual population growth of 2.9%, more than 70% of the Mozambican population depends on agriculture as a source of survival.

In recent decades, with the increase in production of the other sectors of the economy, especially the extractive industry, the weight of the agricultural sector in the total production of the economy has been decreasing.

Contrary to expectations, this reallocation of economic activity is not accompanied by a structural transformation or modernization. The sector still faces deep difficulties, such



as: i) low productivity resulting from low use of agricultural inputs; ii) little investment and correspondingly low productivity growth; iii) difficulties in access to input markets; iv) low agricultural competitiveness; v) public policies that, besides sidelining agriculture, are unstable and incoherent.

These aspects become even more worrying taking into account that the agricultural sector continues to be the main source of employment for most Mozambicans.

With this, millions of people continue to live in absolute poverty, and with serious problems of low income, unemployment, and food insecurity.

According to the Global Food Crises Report 2020, 1.7 million Mozambicans are affected by food insecurity, 1.4 million being in a state of food crisis and 265,000 in a food emergency situation. Additionally, more than 67,000 children under the age of five (5) suffer from severe malnutrition, 60.2% are anemic, and 42.6% have growth problems.

What's more, the majority of the Mozambi-

can population (about 65%) lives in rural areas with difficult access to basic services such as education, health, and water.

Essentially, poverty in rural areas is due to the limited development of agriculture, low market access, and poor productivity of food crops.

Thus, agricultural development is critical to ensure poverty reduction, but also to ensure food and nutrition security, and other social benefits.

It is important to ensure that improvements in agriculture are not concentrated in only some parts of the value chain, leaving aside other important challenges. In the context of Mozambique, policy design that generates pro-poor value chain promotion initiatives, trying to overcome challenges such as barriers to entry for poor agricultural producers and input and service providers, is desirable.

It is in this context that the Center for Democracy and Development (CDD – Centro para Democracia e Desenvolvimento) and NANA,

Table 1: Project Intervention Focuses

- 1) Support the development of partnerships among value chain actors based on viable business propositions;
- 2) Promote alternative business practices and civil society collaboration with the Government;
- 3) Build capacity and transfer knowledge to smallholder farmers in agricultural value chains to increase access to markets;
- 4) Improve the competitiveness of small-scale agriculture;
- 5) Increase the income of small-scale producers;
- 6) Support the development of legal frameworks for effective taxation of extractive industry and investment of revenues in sustainable development of inclusive agricultural value chains.



in partnership with OXFAM Mozambique, started the implementation of the ENABLING VALUE CHAINS PRO-POOR project, with the objective of promoting improvements in the competitiveness of smallholder farmers and the agribusiness sector, thus ensuring rapid, sustainable and broad-based economic growth in agricultural value chains.

The project is part of a global action being implemented in more than 10 countries, namely Brazil, South Africa, Ghana, Nigeria,

Kenya, Uganda, India, Vietnam, Indonesia, Cambodia, Myanmar and Mozambique.

This project is implemented under the Power of Voices Partnership (PvP) Fair for All, which is an influence program with the Dutch Ministry of Foreign Affairs. The FAIR for ALL program led by Oxfam Novib is a five (5) year initiative with the primary objective of promoting global trade and value chains that are fair to all. The table below indicates the specific areas of intervention.

CDD promotes national dialogue on trade and tax reforms

The set of fiscal and trade policies taken for the country begins in the period when the centrally planned economy was in place, in the implementation of the Indicative Prospective Plan (IPP) between 1980 and 1990. Later, due to the failure of the PPI, Mozambique introduced the Economic Rehabilitation Plan (Plano de Reabilitação Económica). Subsequently, due to the failure of the PPI, Mozambique introduced the Economic Rehabilitation Plan (PRE) in 1987, with technical and financial assistance from the Bretton Woods institutions (World Bank and International Monetary Fund).

With the end of the civil war and the holding of the first elections in 1994, several programs were implemented to rebuild the economic infrastructure destroyed by the armed conflict, thus promoting the country's economic growth and development.

While economic growth can generally be beneficial to the poor, the truth is the poor do

not always benefit proportionately from growth, and income disparities generally increase during phases of growth. Therefore, policies must be aligned by intentionally providing pro-poor growth. For example, ensuring policies that increase opportunities for small-scale producers has the potential to improve the lives of people living in rural areas, and also to reduce high levels of social inequality.

CDD will promote private sector engagement along the agricultural value chain, as well as create platform or process with stakeholders to promote national dialogue on trade and fiscal reforms.

This will hopefully contribute to policies that effectively reflect what is established in the Constitution of the Republic of Mozambique, namely that agriculture is the basis for development. The arable land and abundant water available in the country must be effectively transformed into food and wealth for Mozambicans.



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