



# **MOZAMBIQUE** **FLAGSHIP PROGRAM** **FOR YOUTH AND WOMEN** **EMPOWERMENT** **IN AGRICULTURE**

Prepared and presented by:  
Ministry of Agriculture and Rural Development  
Republic of Mozambique



# AGENDA

- I. Country Overview:
- II. Impact of COVID on Agriculture
- III. Gender and youth constraints to productive agriculture
- IV. Problem Statement and Rationale
- V. Flagship Program
- VI. Program Theory of change
- VII. Transaction structure
- VIII. Investment plan
- IX. Project implementation milestones
- X. Stories of success
- XI. Project risks and mitigation
- XII. Boardroom expectations – key asks



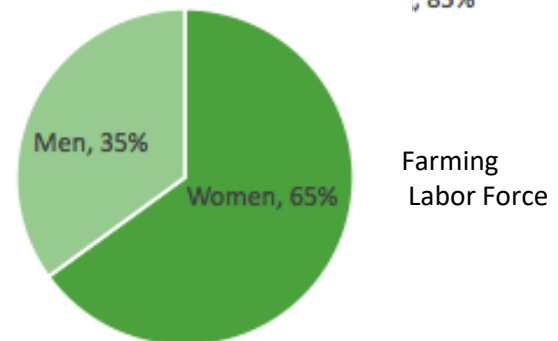
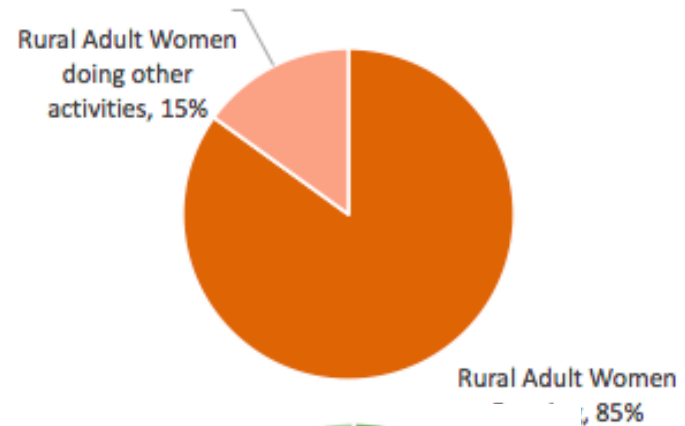
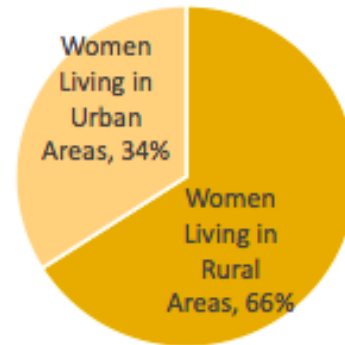
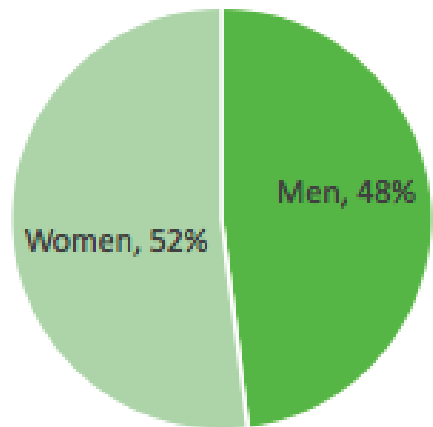
# COUNTRY OVERVIEW: DEMOGRAPHIC INFORMATION

30.81M people,

Youth Population: 42%

Median Age: 17.6

Annual Population growth: +2.9%





## COUNTRY OVERVIEW: DIGITALIZATION



**INTERNET USERS: 5.36mIn**  
17% of population)  
Annual Growth Rate: + 8.9%



**MOBILE PHONE CONNECTIONS: 15.31mIn** 50% of  
the population  
Annual Growth Rate: +5.8%



**ACTIVE SOCIAL MEDIA USERS: 2.50mIn**  
97% access via their mobile phones  
Annual Growth Rate: +17%

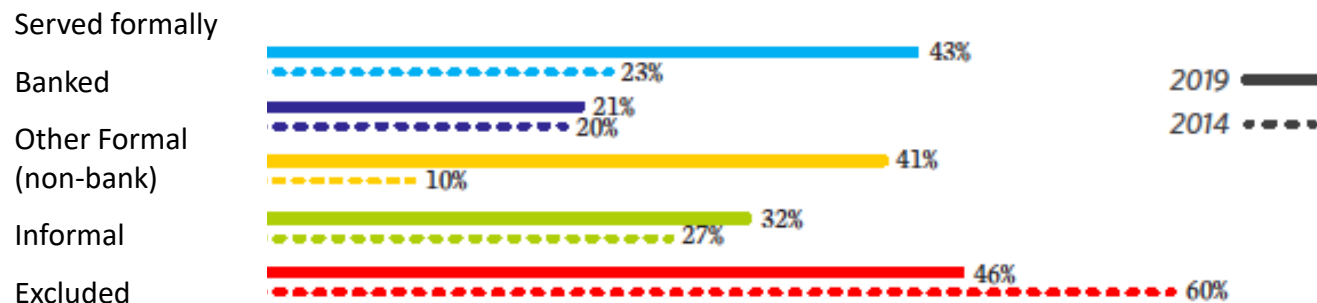
Average Speed of Mobile internet connections: 21.27 Mbps,  
Year-on-year change in average speed of mobile internet connection: +117%

**DIGITALIZATION REPRESENT A SIGNIFICANT OPPORTUNITY FOR INCLUSIVE  
RURAL DEVELOPMENT.**

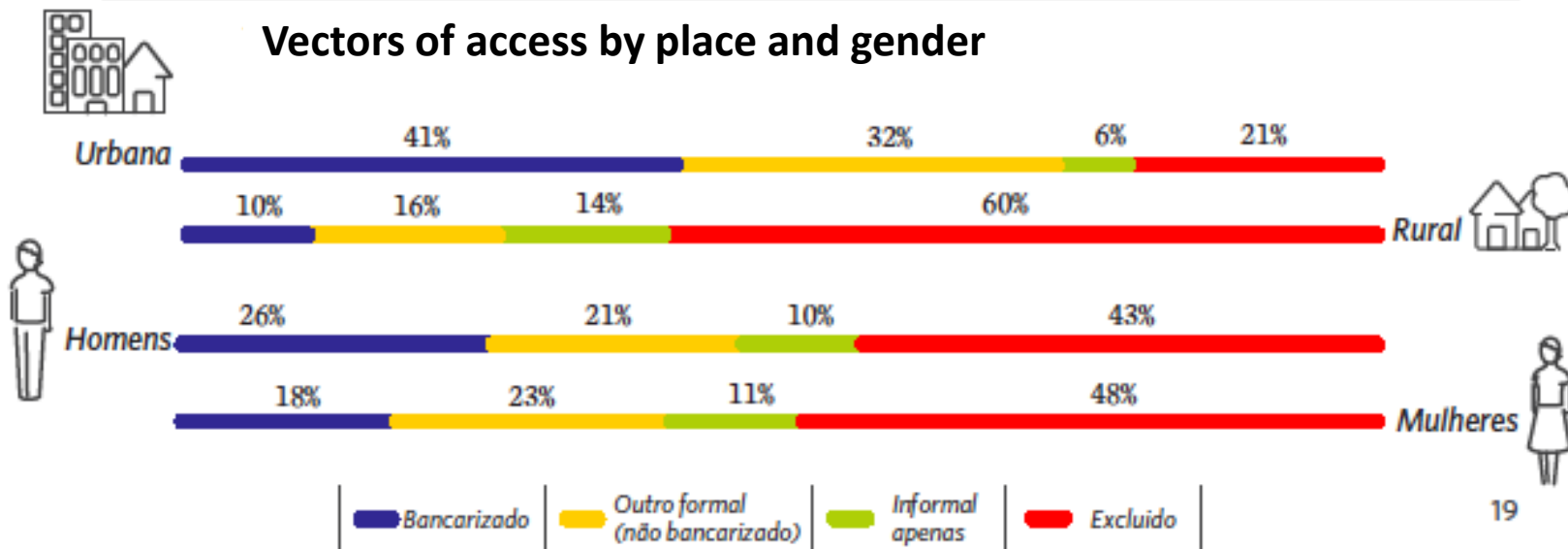


# COUNTRY OVERVIEW: FINANCIAL INCLUSION

## General overview



## Vectors of access by place and gender





# COUNTRY OVERVIEW: TARGET SECTORS FOR INVESTMENT







## COUNTRY OVERVIEW: WHY INVEST IN MOZAMBIQUE?

Mozambique is the #2 Country in Africa for receiving FDI, positioning itself as an investment led economy and an attractive destination for foreign investors

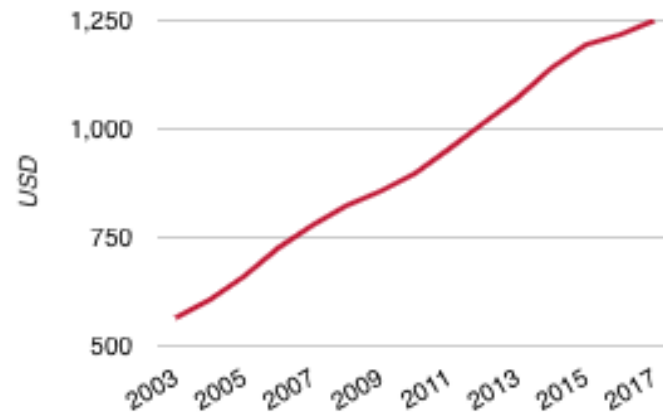
Gross capital formation (total investments) accounts for 40% of the GDP.

A \$25 billion foreign investment was recently announced. And other FDI of the same size are in pipeline.

FDI (inwards) stocks kept increasing, reaching 40 USD billions in 2018.

In the year, over US\$ 2bn have been invested by private sector in the extractive industry.

Over the past 15 years, Mozambique's wealth per capita has more than doubled



GDP per capita (PPP)





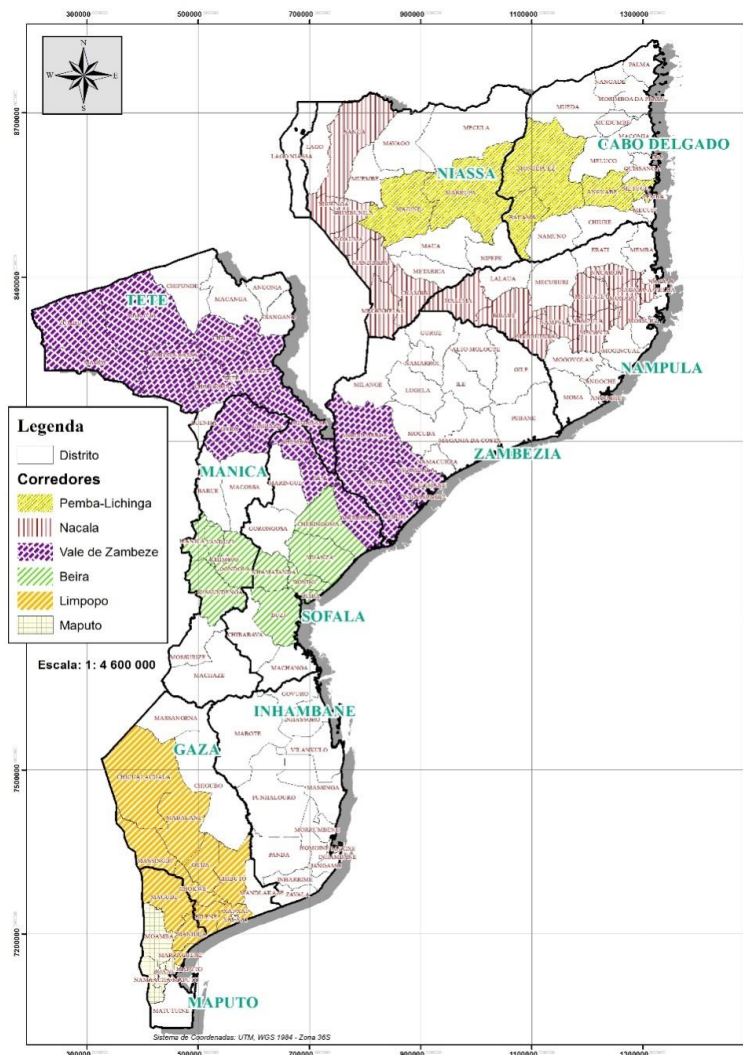
# INVESTING IN AGRICULTURE AND RURAL DEVELOPMENT







# COUNTRY OVERVIEW: PRIORITY PRODUCTS AND VALUE CHAINS



## PEMBA-LICHINGA

Potato, beans, maize, soybean, horticulture, silviculture, cotton, sesame, poultry

## NACALA

Cassava, maize, cotton, sesame, fruit, poultry, peanut, horticulture, cashew nuts, silviculture

## ZAMBEZE

Rice, maize, potato, bovine, caprine, horticulture, sesame, cotton, and poultry

## BEIRA

Maize, potato, horticulture, poultry, soybean, rice, sesame, bovine, sugar cane, silviculture

## LIMPOPO

Rice, horticulture, bovine, poultry

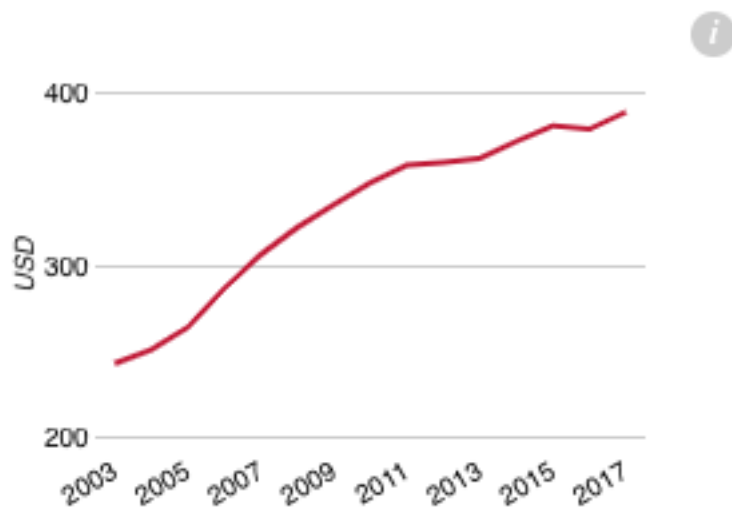
## MAPUTO

Rice, beans, bovine, poultry



## COUNTRY OVERVIEW: INCLUSIVE DEVELOPMENT CHALLENGES

Average productivity in the agriculture sector keeps increasing



VALUE ADDED PER WORKER IN THE  
AGRICULTURAL SECTOR

SOURCE: WORLD BANK

However, **Inclusive development remains a challenge.**

Disparities have been growing especially in the rural parts of Mozambique's central and northern provinces.

**98.7%** of farmers are smallholders, cultivating less than 1ha

Connectivity and transport in rural areas declined.

**50,1%** people in rural areas are poor

**36,1%** have access to drinkable water

**43%** children under5 are malnourished

**1489 Kcal** Average daily calory intake (instead of recommended 2,000Kcal)

**25% Unemployment rate**

+450,000 youth entering the job market every year

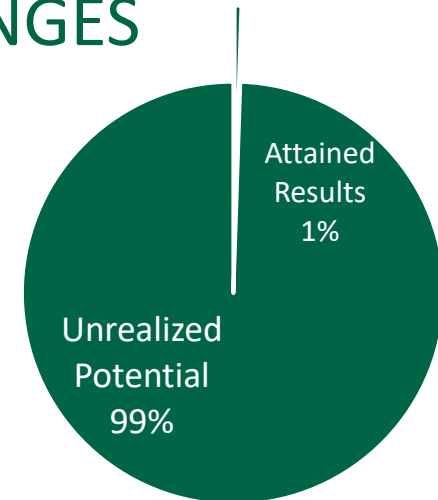


## COUNTRY OVERVIEW:

# AGRICULTURE DEVELOPMENT CHALLENGES

Agriculture GDP Contribution: 23%

Rural development interventions attained a return of US\$ 3bn in the agriculture sector (**1% of the potential**).



## MAJOR CONSTRAINTS TO PRODUCTIVE AGRICULTURE:

Access to extension services: **4.3%**

Adoption of improved seeds: **4.6%**

Access to credit for production: **0.6%**

Access to information about market prices: **13.6%**

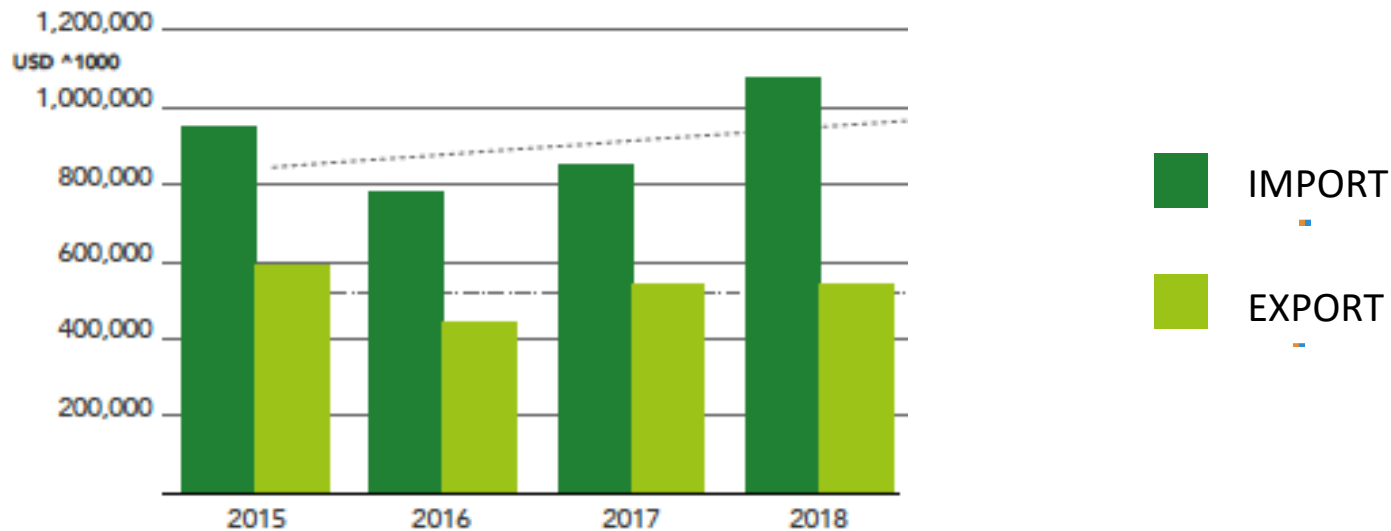
Farms affected by climate factors: **67.8%**

Post-harvest losses: **30% of production**

**RURAL DEVELOPMENT INTERVENTIONS HAVE BEEN DESIGNED AND IMPLEMENTED TO ADDRESS GENERIC AGRICULTURE CHALLENGES.**



## COUNTRY OVERVIEW: BALANCE OF TRADE



Balance of payment is historically negative, and demonstrated a trend to increase

### **PRIMARY IMPORT:**

Flour, rice, soy, vegetable oil, potato, fish

### **PRIMARY EXPORT:**

Tobacco, sugar, cashewnut, cotton, banana, beans, sesame



# COVID IMPACT ON AGRICULTURE SECTOR

**REPORTED REDUCTION IN REVENUES: -52%**

**PRIVATE SECTOR LOSSES: US\$ 10MLN**

## **HORTICULTURE PRODUCTION**

- **-40%** Production outcome due to movement restrictions in peri-urban areas
- Disruption in input supply for peri-urban smallholder farmers sourcing agri-inputs from informal traders from ZA
- **-70%** National input production activity linked to the suspension of international programs subsidizing or supporting production

## **EXPORT ORIENTED CASH CROP PRODUCTION**

- **-25%** Forecast reduction in revenues due to continuous drop of commodity prices
- Access to markets challenges (i.e Only 5% of international cashew market is open)
- **-50%** Expected revenues from the year and accumulation of stock.
- Producers stopped production, interrupting purchases from **+1.3mln smallholders**

## **MEAT AND POULTRY**

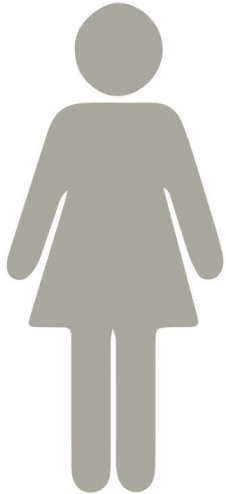
- **-50%** Drop in demand due to closure of restaurants and hospitality industry
- Increase in input costs due to import restriction and currency depreciation





## PROBLEM STATEMENT:

# IMPACT OF INEQUALITY ON RURAL DEVELOPMENT



### LEVEL OF GENDER INEQUALITY IN MOZAMBIQUE:

Labor force participation (F/M): 0.99

Wage gap F/M: **0.58**

Unmet need for family planning: **28% women**

Education level (F/M): **0.69**

Legal protection (F/M): **0.44\***

Political Representation: **0.51**

Maternal mortality per 100,000 live births: **480\***

Child Marriage: **7%**

Violence against women (% of women ): **32%**

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Women are pivotal in cultivating food crops, and in the production of cash crops, playing roles in sowing, weeding, and harvesting. They are responsible for threshing the crops before these are sold, often by the men.

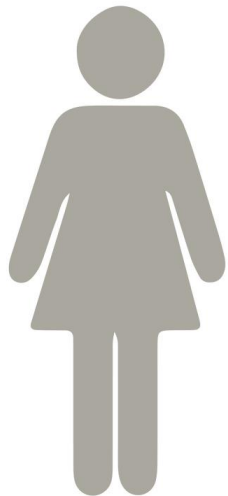
**DESPITE THEIR CRITICAL ROLE IN AGRICULTURE PRODUCTION, WOMEN AND YOUTH ARE YET TO BE THE TARGET OF POLICIES AND PROGRAMS.**

**BRIDGING THE GENDER GAP IN SSA COULD RAISE GDP BY 10% BY 2025.**



PROJECT RATIONALE:

# GENDER SPECIFIC CONSTRAINTS TO AGRICULTURE PRODUCTIVITY



## **LACK OF ACCESS TO INFORMATION AND TRAINING**

- Only 42% women are literate, limiting their capacity to adopt chemical products.
- Lack of access to GAP training to improve farming techniques

## **LIMITED ACCESS TO QUALITY INPUTS:**

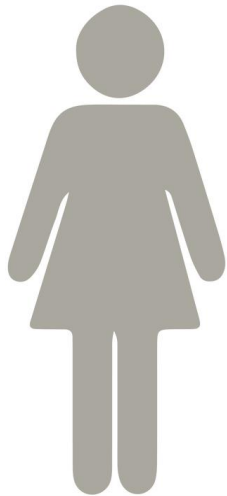
- Households and childcare responsibilities limit women capacity to purchase inputs
- Gendered norms limit women adoption of pesticides and chemicals
- Inputs suppliers do not understand, yet, the business case to tailor their products offering to women needs.

ONLY IF ALLOWED ACCESS TO TRAINING AND INPUTS, PARTICULARLY IMPROVED SEEDS,  
WOMEN WILL INCREASE THEIR PRODUCTIVITY,  
SO TO IMPROVE THEIR WELFARE AND INCOME EARNING CAPACITY



PROJECT RATIONALE:

# GENDER SPECIFIC CONSTRAINTS TO AGRICULTURE PRODUCTIVITY



## **LOW ACCESS TO CAPITAL:**

- Low levels of asset ownership and availability of collateral inhibits investment into Good Agriculture Practices (GAP) and access to finance.
- Rural Women still lack formal documents of their status and identity, preventing them to fulfill Know Your Customers requirements
- Financial Services Providers do not understand, yet, the business case for women inclusion

## **CUSTOMARY AND LEGAL RULES AND LEGISLATION:**

- 0.8 Gender parity index in DUAT distribution
- 34% households are led by female, yet they are often excluded from decision making

ONLY IF ALLOWED ACCESS TO FINANCE AND SUPPORTED WITH THEIR AGENCY WITH DECISION MAKING, WOMEN WILL INCREASE AGRICULTURE PRODUCTIVITY TO IMPROVE THEIR INCOME EARNING CAPACITY



# PROJECT RATIONALE

## YOUTH CONSTRAINTS TO AGRICULTURE PRODUCTIVITY



### **LACK OF MOTIVATION**

- Family and community pressure youth to seek for better options than agriculture
- Farming is not perceived as a viable business due to seasonality, techniques of production low level of mechanization

### **LACK OF ACCESS TO LAND**

- Customary titles and tradition makes it very hard for youth to be formally entitled to land ownership.

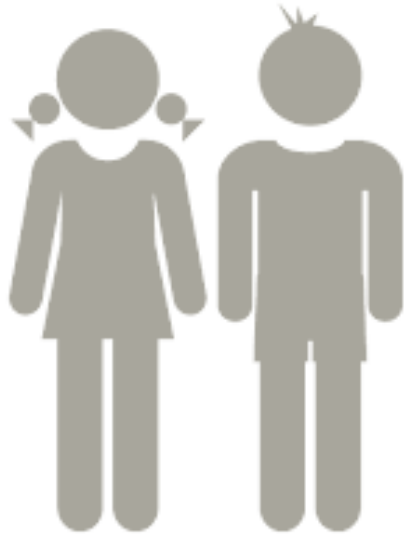
### **LACK OF ACCES TO FINANCE**

- Youth hardly own any asset, whilst financial institutions require collaterals of a minimum amount of 100% of the value of the loan required.



# PROJECT RATIONALE

## YOUTH CONSTRAINTS TO AGRICULTURE PRODUCTIVITY



### **LACK OF ACCESS TO TRAINING**

- Lack of specialized training on modern agriculture techniques.
- Higher levels of education lead to other careers.
- There is no evidence that higher education leads to commercial farming and higher yields.

### **LACK OF ACCESS TO WAGE JOBS**

- Lack of wage job opportunities available to satisfy the aspirations of youth who have invested in a secondary and tertiary education.

**YOUTH NEED TO BE EXPOSED TO OPPORTUNITIES TO ENTER THE VALUE CHAIN, ACQUIRING TRANSFERRABLE SKILLS TO UNDERTAKE ASSET-LIGHT ACTIVITIES.  
YOUTH WILL BE ATTRACTED TO OPPORTUNITIES,  
IF THOSE ARE PRESENTED AS PROFITABLE BUSINESSES.**





PROJECT RATIONALE:

# WOMEN AND YOUTH CONSTRAINTS TO AGRICULTURE PRODUCTIVITY

## LACK OF INSTITUTIONAL CAPACITY

- The value proposition of women and youth in agriculture hasn't been understood by policy makers, development agencies and suppliers.
- The poor inclusion of women in the development agenda was is due to lack of knowledge on how to do it
- 3-5 years is a short time frame for projects interventions aimed at influencing or changing embedded attitudes and norms
- Often women and youth are included as possible beneficiaries, but without specific interventions targeted at their demographic. They are counted as a number to meet a quota and not as key stakeholders to engage for systemic change

THERE IS NEED TO INVEST IN CONVEYING THE VALUE PROPOSITION OF WOMEN AND YOUTH IN AGRICULTURE AND FOSTER SOLUTIONS TO ENABLE STAKEHOLDERS TO EFFECTIVELY DESIGN SUSTAINABLE AND PROFITABLE MARKET LED GENDER SENSITIVE SOLUTIONS.



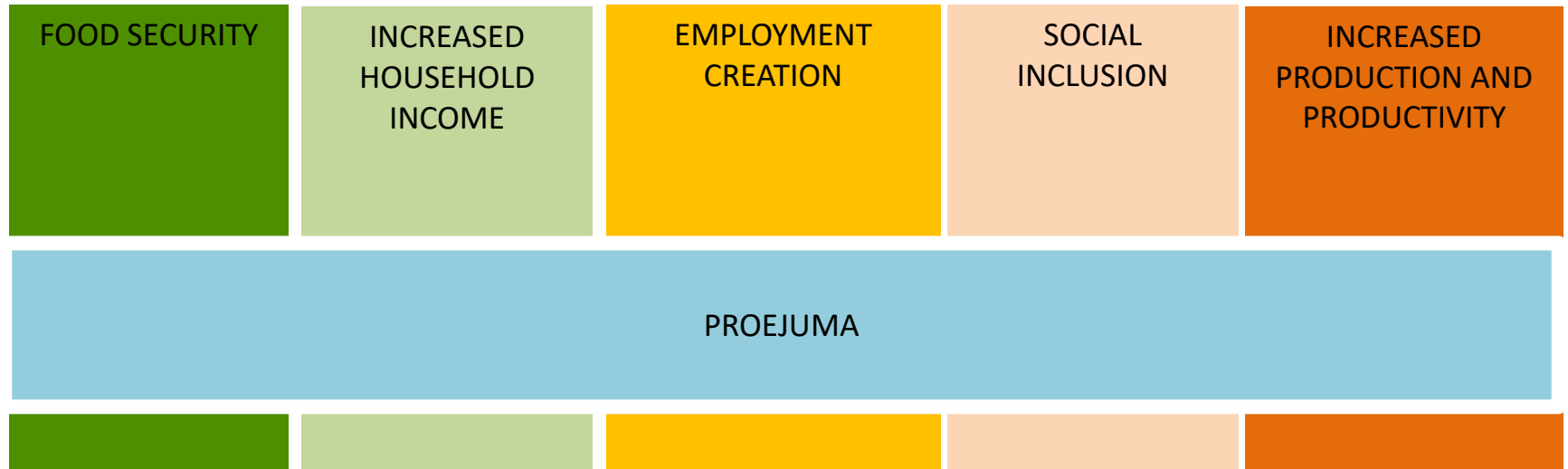
## FLAGSHIP PROGRAM DEVELOPMENT OBJECTIVE

To have an agriculture sector that offers **equal opportunity** to men, women, and youth in the generation of incomes and sustainable livelihoods by facilitating the development of an **enabling market environment** that is conducive to the **inclusion of women and youth** through the development of skills, change in attitudes, behavior and perceptions contributing to **increased productivity and food security** for economic growth.



# FLAGSHIP PROGRAM AND STRATEGY 2024

In March 2020, MADER presented the Program “Zero Hunger” to inform the strategic priority aimed at contributing to the 5 years development plan of the GoM





## PROGRAM APPROACH:

# MARKET SYSTEM DEVELOPMENT

### **PROGRAM PURPOSE:**

1. Building the capacity of market actors, including public sector, development practitioners, the private sector and civil society, to motivate and strengthen women and youth economic initiatives along agriculture value chains.
2. Engage with the private sector to generate market linkages for increased productivity through decent employment and sustainable investments in the agriculture sector.

### **VALUE CHAINS:**

The program fits into MADER agenda promoting strategic products and Value Chains.

PROEJUMA is focused on specific factors that may reduce women and youth participation along any value chain. Some value chains may be prone for women and youth participation since the functions they perform are more relevant to them.



# PROGRAM THEORY OF CHANGE

PROEJUMA's actions should empower the institutions to identify and create opportunities to enable women and youth to graduate from their current roles to others that enhance their performance and technical skills.

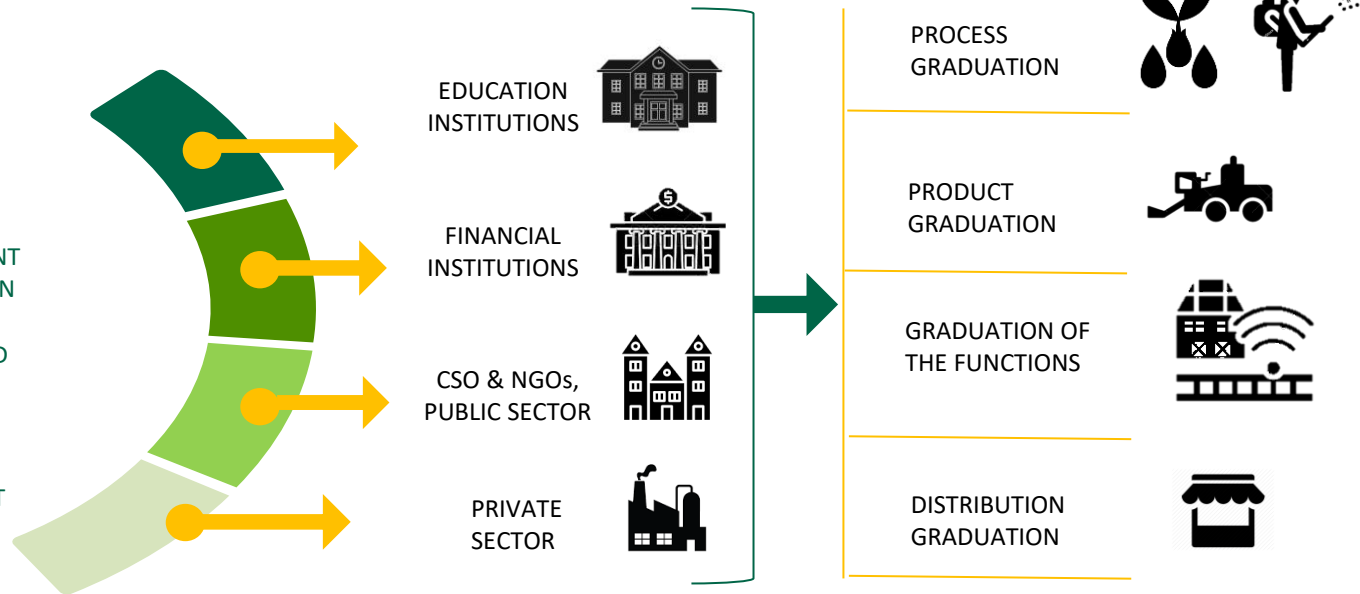
## PROEJUMA

EMPLOYABILITY  
AND JOB CREATION

ENTERPRISE DEVELOPMENT  
AND FINANCIAL INCLUSION

PROMOTING AGENCY AND  
WOMEN PARTICIPATION

STRENGTHENING THE  
ENABLING ENVIRONMENT

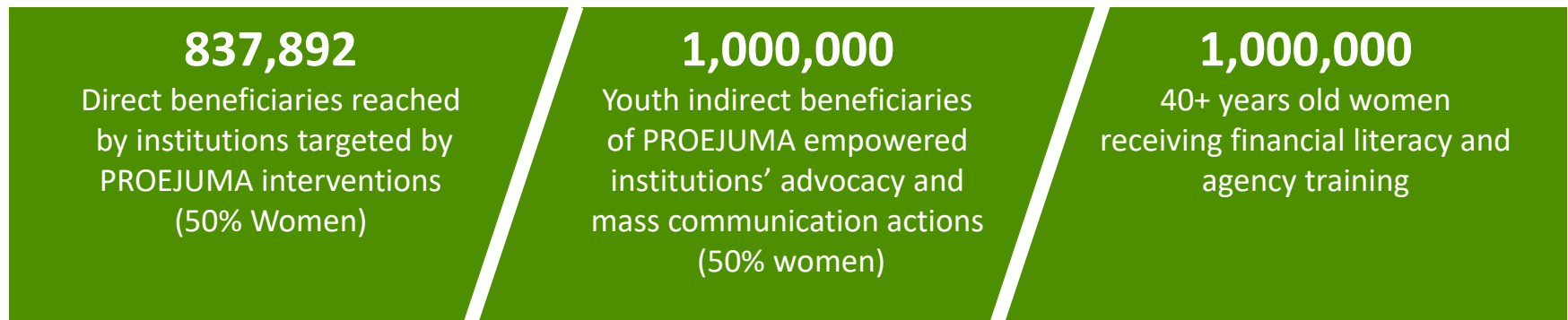






# PROGRAM IMPACT

## BENEFICIARIES



## MAIN OUTCOME INDICATORS





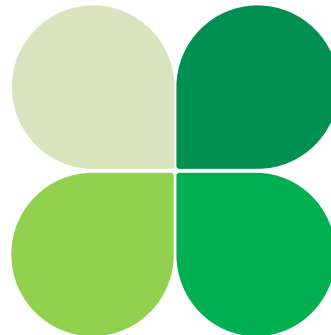
# PROGRAM AREAS OF IMPACT

## **STRENGTHENING THE ENABLING ENVIRONMENT**

- Build institutional capacity in BDS
- TA for value chain functioning upgrading

## **PROMOTING AGENCY & WOMEN PARTICIPATION**

- Women adopt new production practices
- Role models showcase
- Influence and redress social norms



## **EMPLOYABILITY & JOB CREATION**

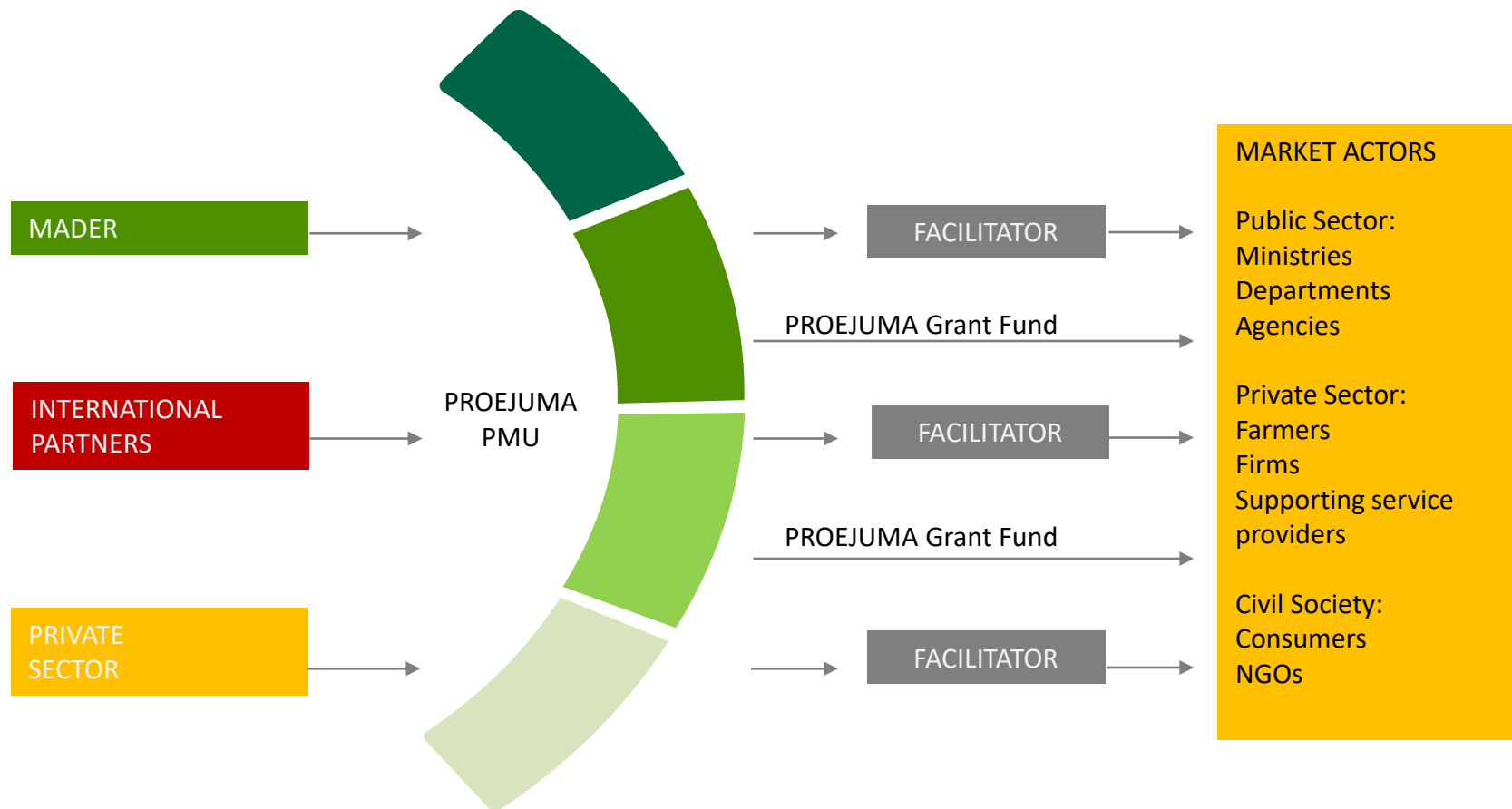
- Align TVET curriculum to job market demand
- Incentivize private sector to offer apprenticeships

## **ENTERPRISE DEVELOPMENT & FINANCIAL INCLUSION**

- BDS sold to W&Y for enterprise development
- Improved financial literacy
- Gender specific financial products sold



# TRANSACTION STRUCTURE





# INVESTMENT PLAN: PROGRAM FUNDING

FLAGSHIP PROGRAM BUDGET 2020/2024:  
**US\$ 27,424,363**

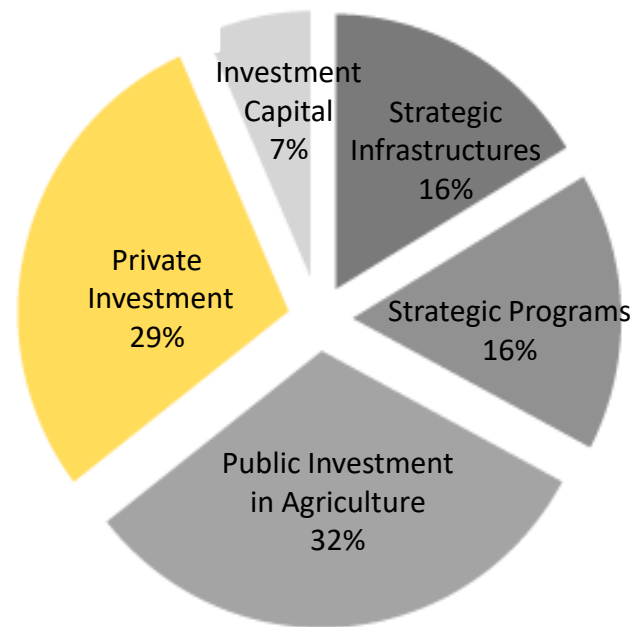
NPV: US\$  
389M

IRR:  
154%

The Government of Mozambique is committed to invest at least 10% of the State Budget in the Agriculture and Rural Development Sector.

The total projected funding available for investment from State Budget into the Sector for 2020-2024 equal to US\$ 2,653.6mln

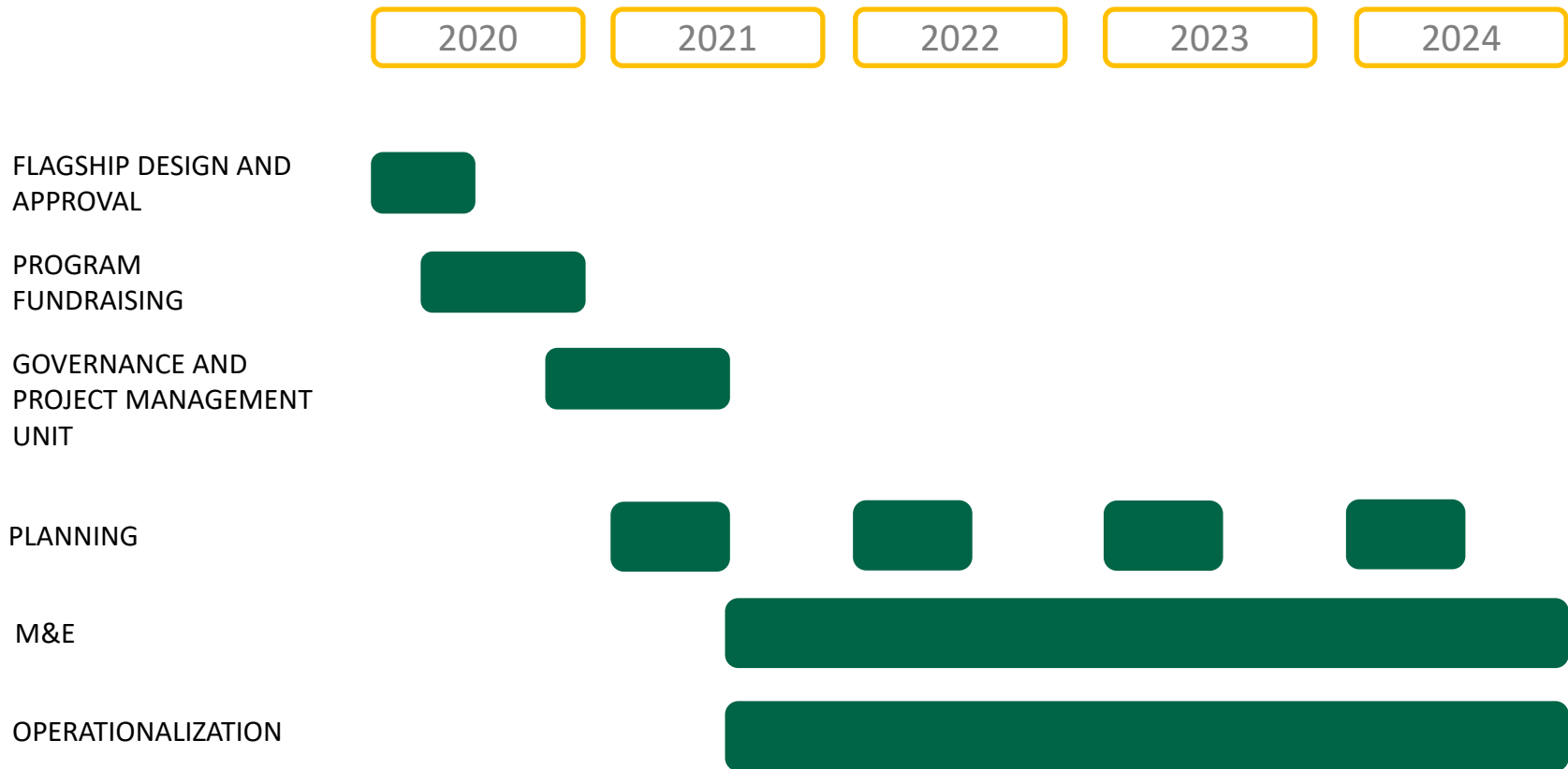
AGRICULTURE SECTOR FUNDING STRATEGY



MADER Investment in Agriculture (US \$) 2020/2024	
Investment	2,364,036,668
Operations	158,049,049
<b>Total</b>	<b>2,522,085,717</b>



# PROGRAM IMPLEMENTATION MILESTONES







# FOREIGN INVESTMENTS: STORIES OF SUCCESS



Sunshine Nuts, processing world class quality chaseww nuts in Beluluane Free Economic Zone, distributed across all the US.



Nyanja Mango, processing organic mangoes produced by local women in Niassa province and exporting to European markets. AfriFruta processes Mango and other fruits from local producers in Inhambane and exports to South Africa and Europe.



# FOREIGN INVESTMENTS: STORIES OF SUCCESS



Baobab Products Mozambique partners with hundreds of women collecting baobabs in Central Mozambique, to process them into powdered superfoods, distributed with different brands for Base of the Pyramid national customers and international markets.



MoSagri produces and processes Moringa in Nampula to export to European and Asian markets as superfood, cosmetics and medicinal herbs.



# PROJECT RISKS AND MITIGATION

Risk Statement	Risk Source	Risk Consequence	Existing Control	Risk Response (Mitigate, Accept, Avoid, Transfer)
Reduced focus on Agriculture in favour of other sectors (i.e Oil and Gas) that account for higher shares in the GDP growth and Tax revenues	Oil and Gas FID and investments in Country	GoM agenda focused on policies to favor megaprojects	GoM Commitment to Malabo agreement 10% budget to invest in Agriculture	Avoid
MADER has limited MSD understanding and implementing capability	Institutional capacity	Poor results achieved, weak gender agenda among MADER priorities	Transitional PMU to build capacity	Mitigate
Limited coordination on gender agenda with MCGAS and SSEJ	Gender agenda cuts across GoM priority initiatives	Duplication of efforts, poor implementation	PROJUMA housed at MADER	Accept
Development partners lead their own independent agenda for gender inclusion and rural development	Development partners on-going own initiatives with gender agenda, MSD approach	Duplication of efforts, resources, lack of coordination on GoM priorities	MADER openly fundraising and engaging partners since design stage	Avoid
Capacity building provided to facilitating institutions is not effective	Facilitators are not competent or not properly equipped to face reality	MSD approach not effective	Procurement and selection process, capacity building of PMU with MSD management experts	Mitigate



# IMPLEMENTATION ALLIES: TARGET IN-COUNTRY INSTITUTIONS



PROGRAM LEADER:



**REPÚBLICA DE MOÇAMBIQUE**

Ministério de Agricultura e  
Desenvolvimento Rural

COORDINATION:



**REPÚBLICA DE MOÇAMBIQUE**

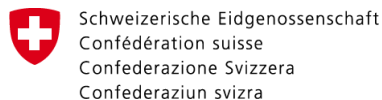
Ministério de Género,  
Criança e Acção Social



**REPÚBLICA DE MOÇAMBIQUE**

Secretaria de Estado  
Juventude e Emprego

STRATEGIC PARTNERS (identified):



“WE NEED TO INVEST IN NEW TECHNOLOGIES,  
RESEARCH AND EDUCATION  
TO ENSURE THAT **AGRICULTURE BECOMES**  
**AN ATTRACTIVE SECTOR FOR YOUTH,**  
AND IN THE PROCESS, GUARANTEE FOOD SECURITY”

FILIFE JACINTO NYUSI, PRESIDENT OF THE REPUBLIC OF MOZAMBIQUE