Strengthening Mozambican Capacity for Agricultural Productivity Growth, Policy Analysis, and Poverty Reduction

Objective and outline

- Present a case study of the role of public sector capacity building to support the CAADP growth agenda

- Outline:
  - project goals and objectives
  - sequence of capacity building activities leading to increased investment in agricultural productivity growth
**Project Goals**

A coordinated program of capacity building activities with the twin goals of:

- expanding the availability of appropriate crop, livestock and natural-resource management technologies for smallholder farmers
- accelerating the uptake of those technologies by strengthening policy institutions and market information services

*Implies harnessing the synergies between technology, markets and policy*

---

**Project Objectives**

1. Strengthen capacity of the new agricultural research institute (IIAM) to identify and disseminate improved crop, livestock and natural resource management technologies through the integration of social sciences with effective zonal centers

2. Strengthen Capacity of the Directorate of Economics to Implement the National Agricultural Survey (TIA)

3. Strengthen capacity of the Directorate of Economics to provide a supportive policy environment

4. Strengthen the National Market Information System (SIMA)
Step 1: ensure capacity for an enabling policy environment

• Favorable policy environment for agricultural development maintained
  – Agriculture and agricultural productivity integrated into second PRSP (PARPA II)
  – Market driven value chain perspective the guiding framework for draft MINAG strategy
  – Improvement in level of policy debate and balancing interests of different stakeholders

Step 2: ensure adequate data bases on rural household income available for analysis

Agricultural Statistics Database and Analysis improved
(Trabalho do Inquérito Agrícola – TIA)
Table 6. Mean Household Shares of Total Gross Household Income by Given Income Source, by Income Quintile, Mozambique 1996-2002

<table>
<thead>
<tr>
<th>Quintiles of Net HH Income/AE</th>
<th>Gross Crop Income</th>
<th>Livestock Sales Value</th>
<th>Wage Income</th>
<th>Net MSE Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - low</td>
<td>93% 86%</td>
<td>2% 3%</td>
<td>3% 1%</td>
<td>3% 8%</td>
</tr>
<tr>
<td>2</td>
<td>88% 85%</td>
<td>2% 3%</td>
<td>1% 2%</td>
<td>8% 10%</td>
</tr>
<tr>
<td>3 - mid</td>
<td>81% 81%</td>
<td>1% 2%</td>
<td>2% 5%</td>
<td>16% 12%</td>
</tr>
<tr>
<td>4</td>
<td>79% 70%</td>
<td>1% 3%</td>
<td>3% 11%</td>
<td>17% 16%</td>
</tr>
<tr>
<td>5 - high</td>
<td>76% 45%</td>
<td>1% 2%</td>
<td>2% 26%</td>
<td>21% 28%</td>
</tr>
<tr>
<td>Total</td>
<td>84% 73%</td>
<td>1% 3%</td>
<td>2% 9%</td>
<td>13% 15%</td>
</tr>
</tbody>
</table>

Step 3: build socio-economics capacity within the agricultural research system

- Recruitment and Training of Social Scientists
- Establishment of Social Science Research Unit at IIAM
- Integration of social science at Zonal Centers and HQ
Role of Social Science in the Generation and Diffusion of Agricultural Technology

Step 4: Undertake priority setting analysis for agricultural commodity programs

• Analysis of potential poverty reduction from research on different commodities
• Analysis of potential poverty reduction impact by agro-ecological zone
• Implications for scientist allocation across programs and zonal centers
• Implications for future training priorities
Production value and the scope for poverty reduction for the 30 most important agricultural commodities

Relative economic importance and scope for poverty reduction in different agroecologies with technological change
Impact Assessment: Economic impact of multiplication and distribution of Nikwaha on the Nampula Coast by Save the Children

- Expected value per plant = 24%
- Net benefit per ha = $ 71
- IRR ≅ 100%
- NPV ≅ $ 30 million

Step 5: Prepare a dedicated investment plan for agricultural productivity investment

- Priority setting analysis and impact assessment provide basis for formulation of IIAM investment plan
- Focus of investment plan is capacity for development of high impact technology transfer packages (not just technology components in isolation)
- Increased collaboration with extension and other research partners
Key Conclusion

• Human and organizational capacity building is a necessary complement to successful investment strategies in the context of CAADP

• Therefore should be included as a component in any ag sector investment plan