

*TRIANGULAR COOPERATION FOR AGRICULTURAL
DEVELOPMENT OF THE TROPICAL SAVANNAH IN
MOZAMBIQUE (ProSAVANA-JBM)*

**SUPPORT OF AGRICULTURE DEVELOPMENT
MASTER PLAN FOR NACALA CORRIDOR**



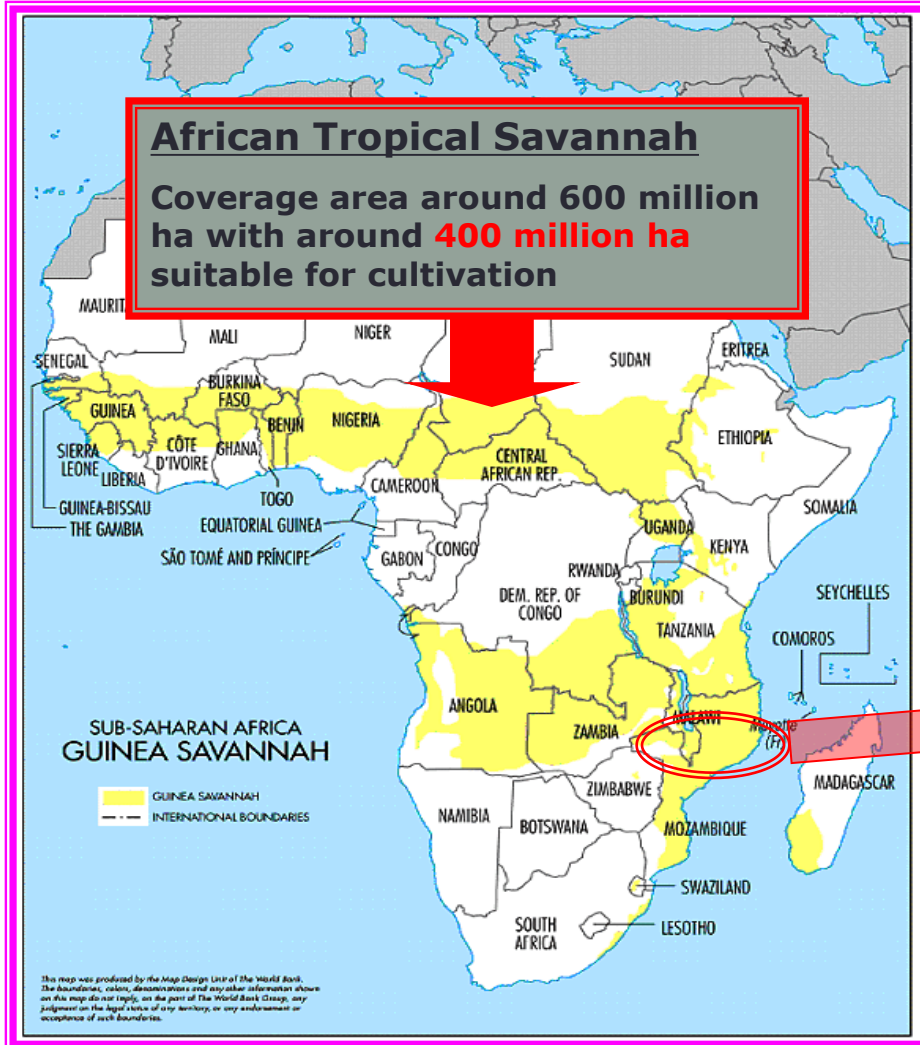
PLANO DIRECTOR

STAKEHOLDER MEETING

Quick Impact Project Report

March 2013

1.1 Objective of ProSAVANA-JBM



To create new model of sustainable agricultural development in the tropical savannah region of Mozambique through triangular cooperation among Japan, Brazil, and Mozambique, while taking into account **preservation of the environment** and seeking **market-oriented agricultural/rural/regional development with a competitive edge.**

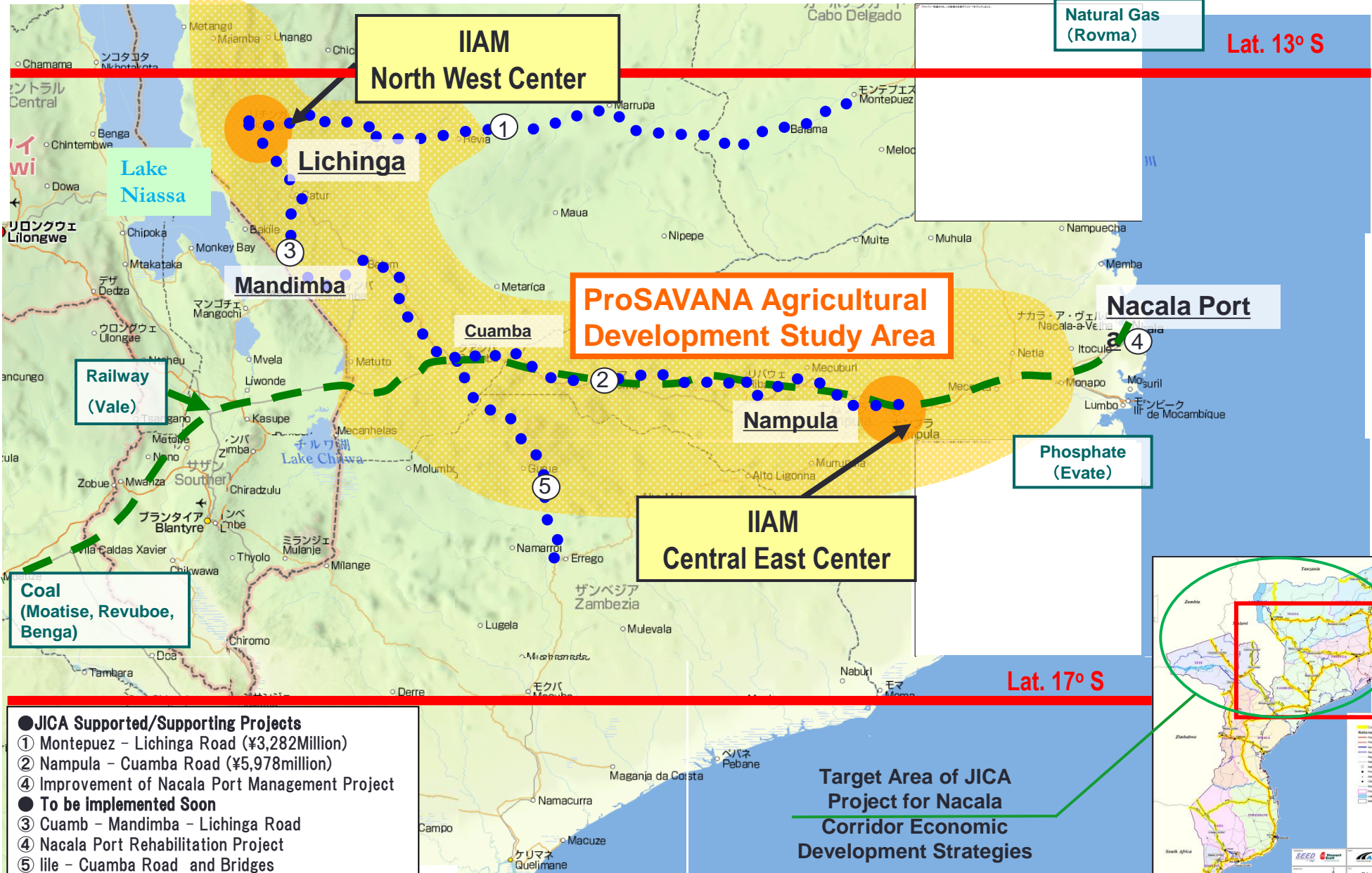
(MM of Triangular Cooperation for Agricultural Development of the Tropical Savannah in Mozambique, Sep. 17, 2009)

Nacala Corridor area in Mozambique

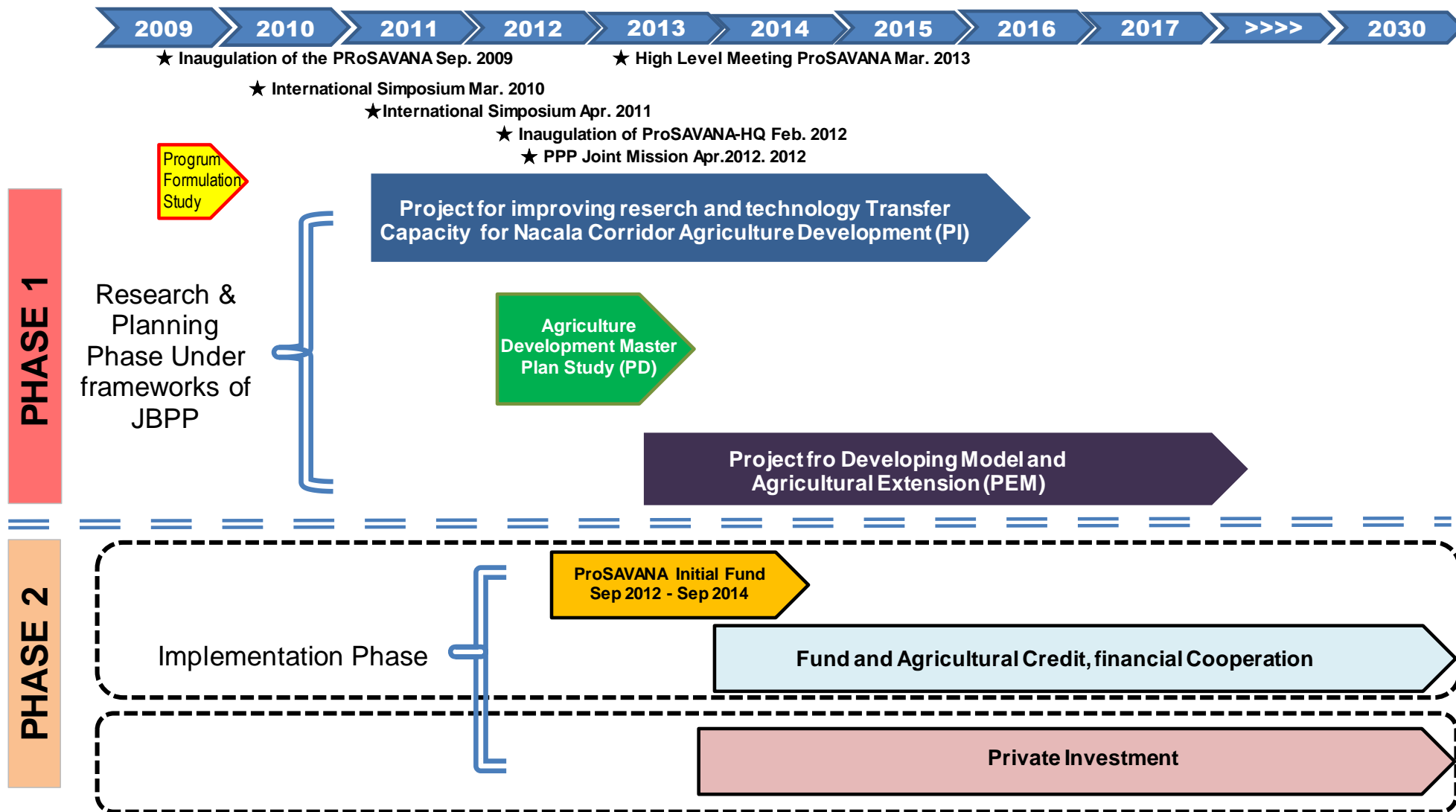
Tropical Savannah in Mozambique

Country:	79 million ha
Savannah:	54 million ha
Cropped Savannah:	0.4 million ha

1.2. ProSAVANA TARGET AREA



1.3 IMPLEMENTATION ProSAVANA-JBM PROGRAM



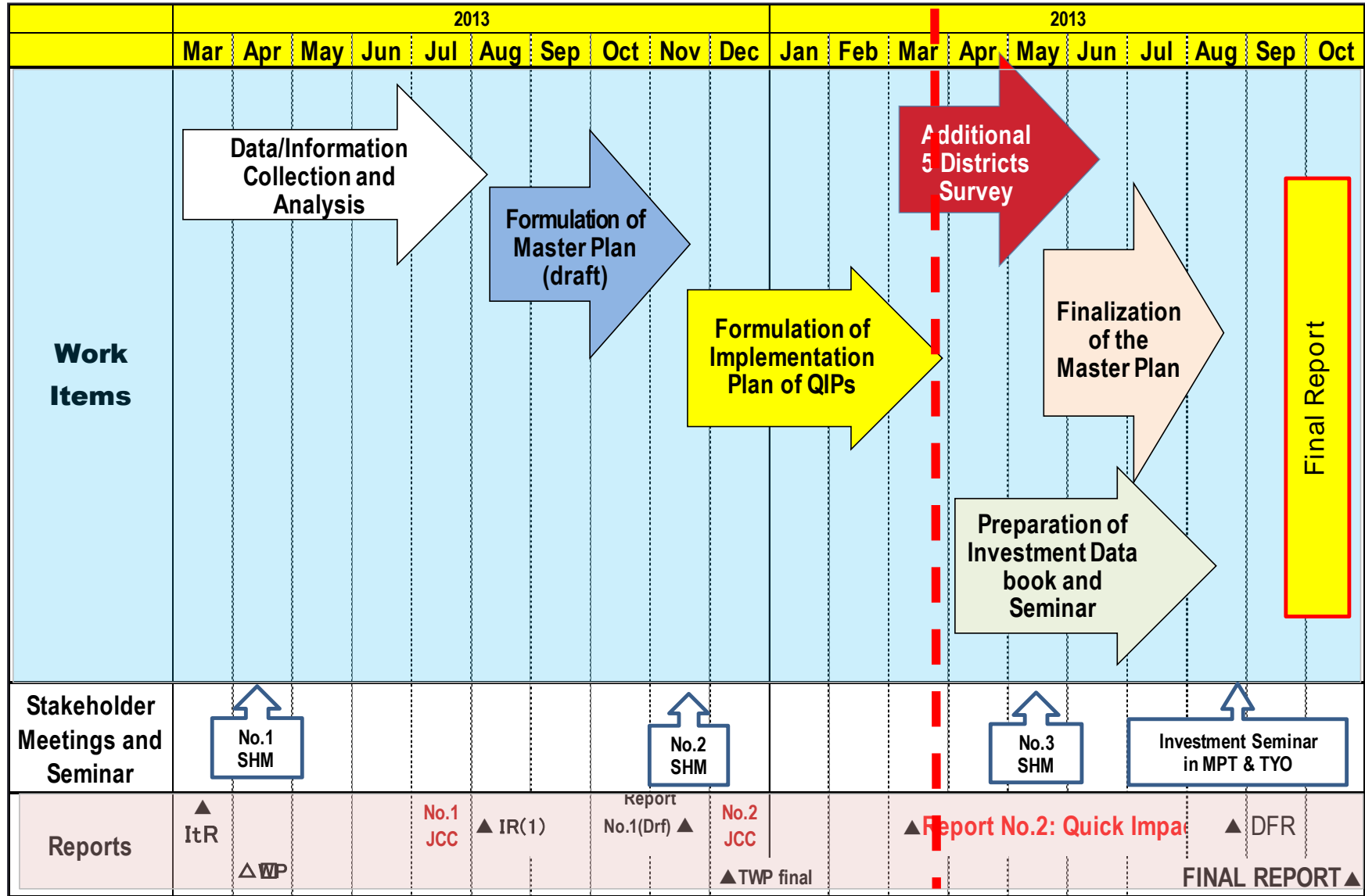
1.4 Principals for ProSAVANA Program Approach

1. Importance to support family farmers, especially small scale farmers
2. Taking into consideration of Mozambican sectorial national strategies such as PEDSA, in accordance with PRAI (Principal of Responsible Agricultural Investment) and Voluntary Guidelines on responsible governance of tenure of land, fisheries and forests.
3. Support the development of an inclusive model of agricultural regional development focused on Mozambican family farmers including small, medium and large scale farmers aiming at improvement of their quality of life, food and nutritional security, income generation, and the harmonic promotion of synergies among all stakeholder sizes of the farmers along the Nacala Corridor.
4. Also supports investors provided that they comply with PRAI and Voluntary Guidelines on the responsible governance of tenure of land, fisheries and forests
5. MINAG will strengthen dialogue with Mozambican civil society to enhance transparency and capacity building at local level.

2.1 Objective and Outputs of Agriculture Development Master Plan Study

- Formulate an agricultural development Master Plan which contributes to social and economic development by engaging private investment to the promote sustainable production systems, and poverty reduction in Nacala Corridor
- Major Outputs of the Study
 - Data collection and analysis of agriculture in Nacala Corridor
 - Drawing of an overall picture of development plans
 - Planning of quick impact projects for selected area
 - Engagement stimulation of stakeholders focusing on investment promotion
- ***This Study is conducted by collaboration among Mozambican, Japanese and Brazilian experts.***

2.3 Work Schedule and Position of current Study



3. District-wise Zoning & Development Strategy



Zone VI :

Development of new farm commodity value-chain

Sanga

Lichinga

Majune

Ngauma

Mandimba

Cuamba

Mecanhelas

Gurie

Auto Molocue

Malema

Lalaua

Ribaua

Murrupula

Mecuburi

Nampula

Mogovolas

Meconta

Muecate

Monapo

Zone I:

Food supply to Nacala port area, and production of high value crops

Zone II:

Agribusiness center of the eastern Nacala Corridor

Zone III:

Granary development in the Nacala Corridor

Zone V:

Strategic logistics hub and processing center of farm commodities

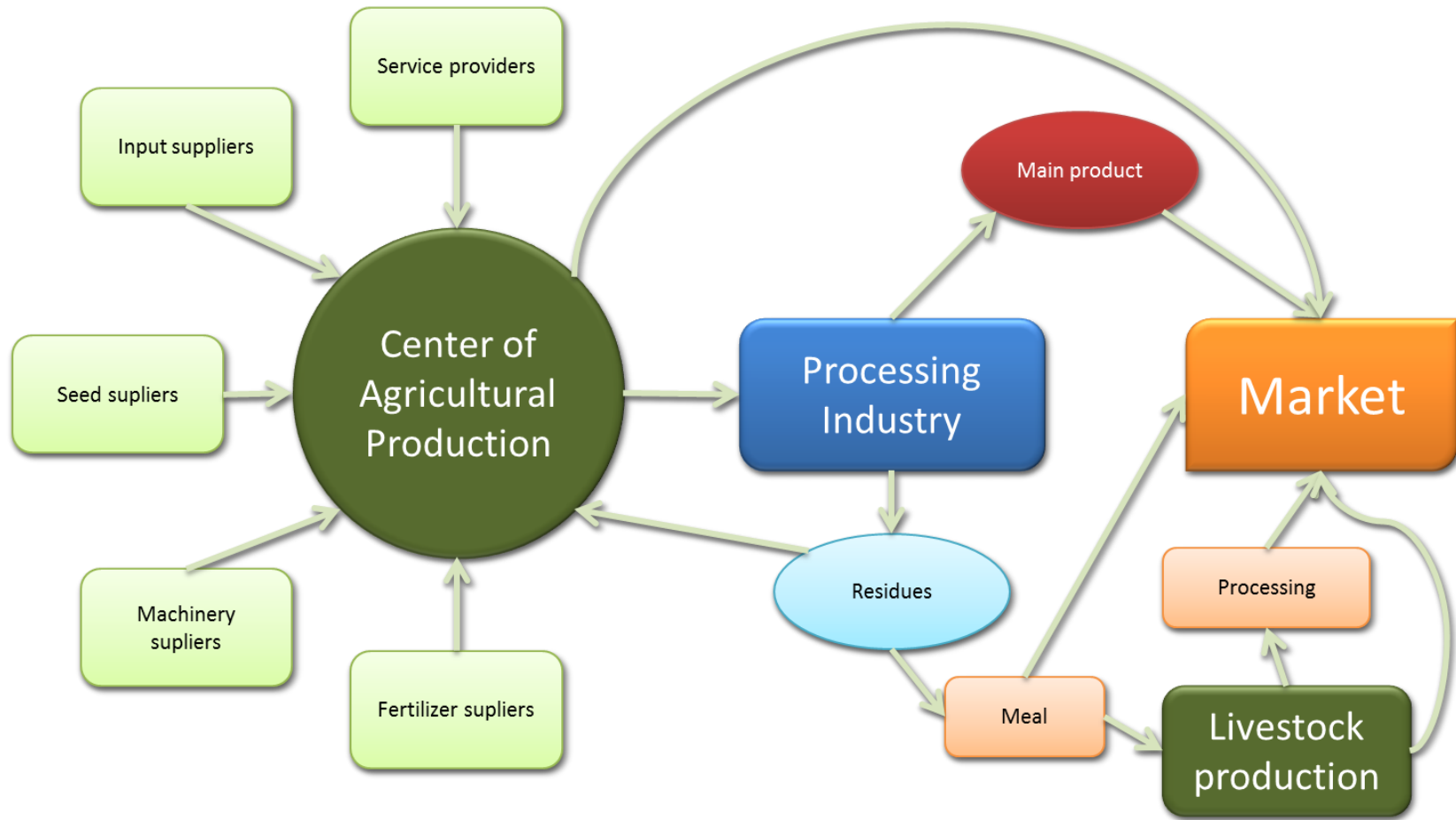
Zone IV:

Production of special high value crops

4.1 Concept of Cluster Development

- Clusters are **strategic approaches to accelerate development** within a specified territory.
- The central line is to **design one or more value chains**, with synergic potential to channel efforts for its realization **within a lower period** of time.
- Involve marketing channels, consumers, producers of complementary products and companies of related sectors. May include governmental institutions, universities, training centers and commerce.

4.1 Concept of Cluster Development





4.2 Proposed Agricultural Clusters









Cluster Names	Main Production category	Concept	Suggested Initial Location	Possible Components
Integrated Grain Cluster	Corporate Farming	Greenfield	Zone VI: Majune, expandible to Zone V: N'Gauma	Soybean, Maize, Sunflower, Elephant grass and Poultry
Family Food Production Cluster	Family Farming	Greenfield & Brownfield	Zone III: Malema	Maize, Cassava, Cotton, Vegetables and Groundnuts
Grain and Cotton Production Cluster	Entrepreneurial and Corporate Farming	Brownfield	Zone V: Lioma plain (Lioma Administrative Post, Gurué)	Soybean, Maize, Cotton and Poultry
Cashew Production Cluster	Entrepreneurial and Family Farming	Brownfield	Zones I and II: Monapo, Mogovolas, Meconta, Muecate	Cashew nuts, Maize, Beans, Cassava, Groundnuts, Sesame, Vegetables and Eucalyptus
Integrated Food and Grain Production Cluster	All category	Greenfield & Brownfield	Zone III: Ribáuè	Soybean, Maize, Cotton, Seed Farm, Vegetable and Poultry
Tea Production Cluster	Entrepreneurial and Family Farming	Brownfield	Zone IV: Gurué	Tea
Cuamba Agricultural Infrastructure Cluster	(non-agricultural activities)	Brownfield	Zone V: Cuamba	Infrastructure, logistics, inputs & services

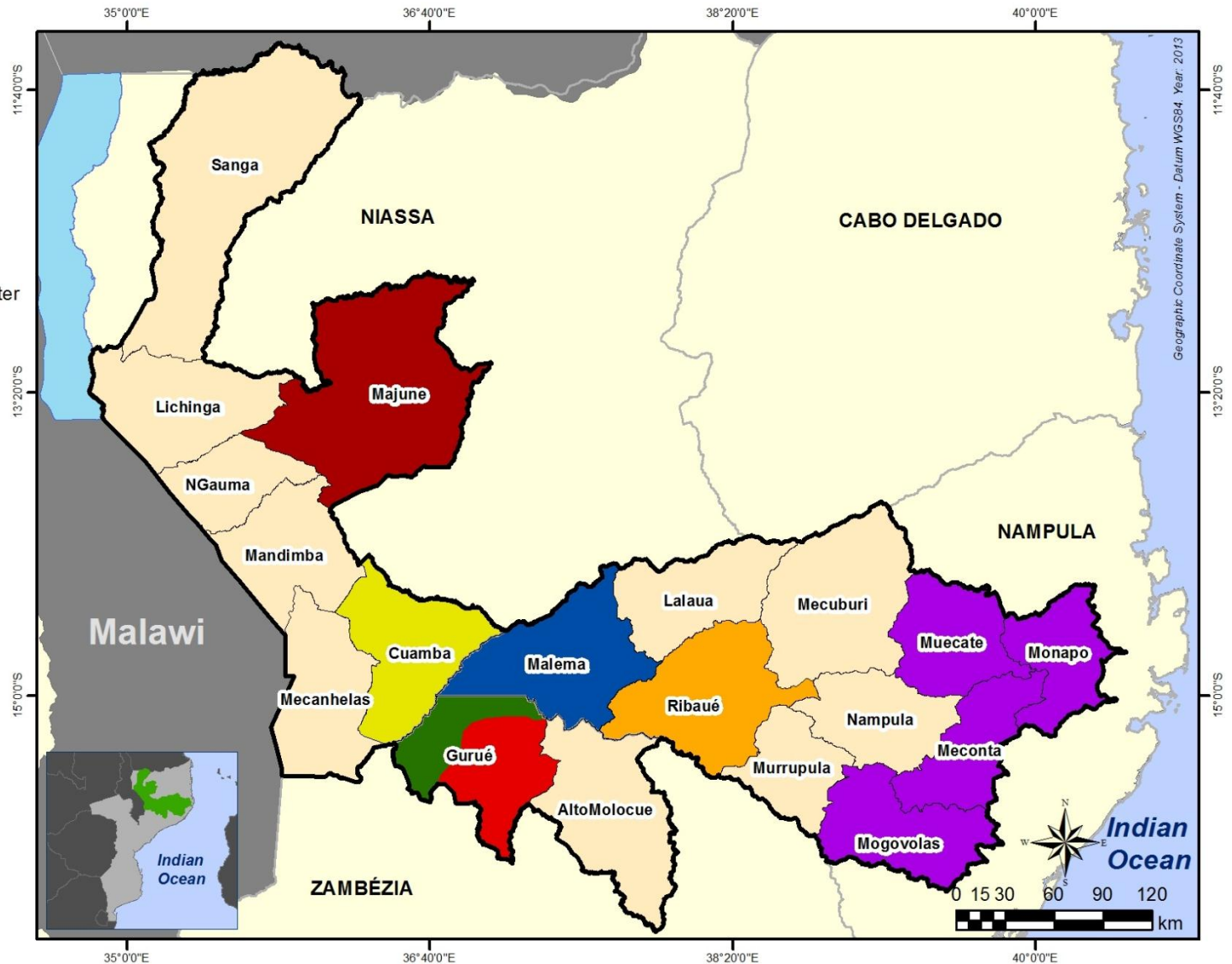
ProSAVANA: Clusters in Nacala corridor

Legend

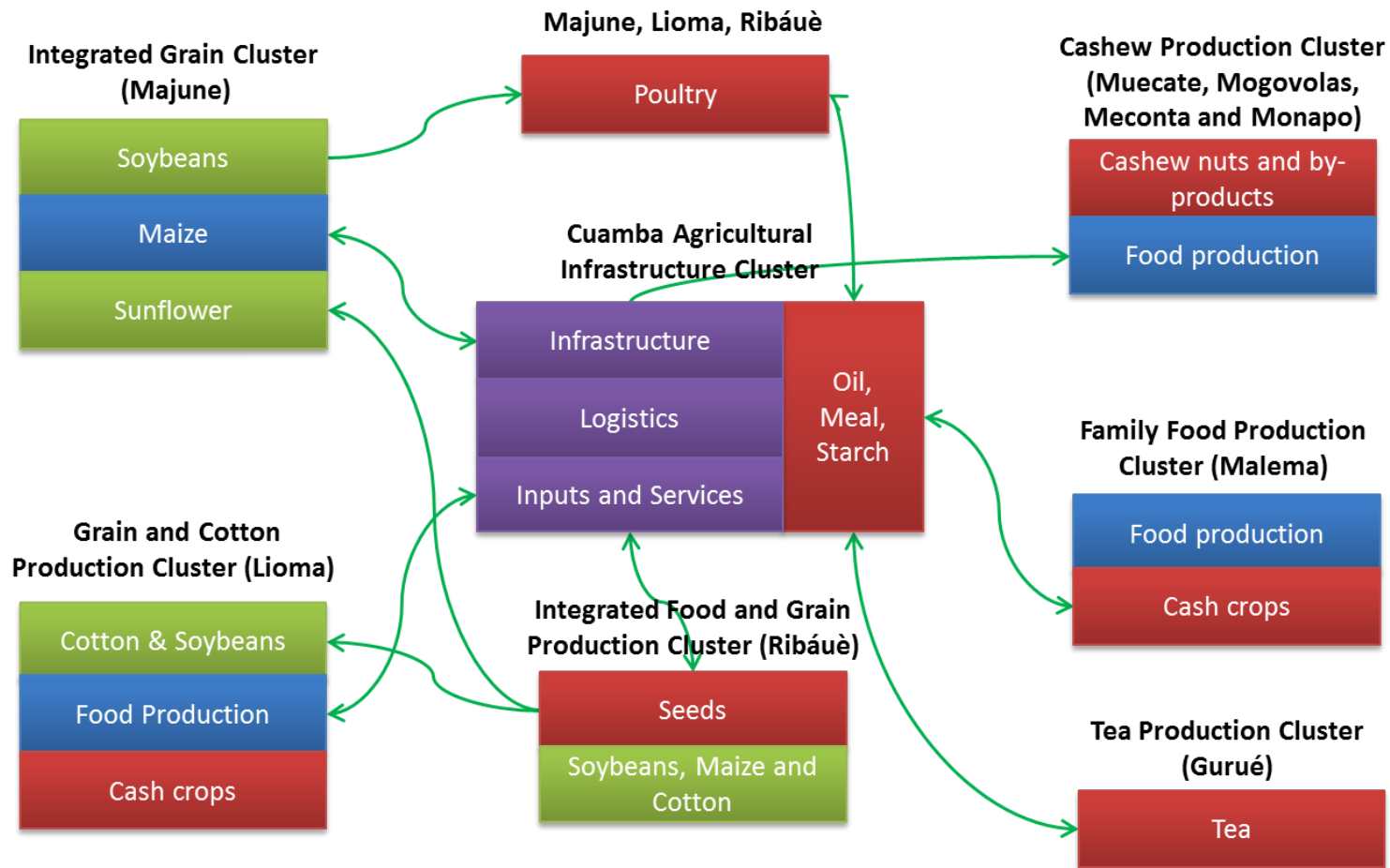
-  Nacala corridor
-  Lake

Clusters

-  1 Integrated Grain Cluster (soybean, maize, sunflower, elephant grass and poultry)
-  2 Family Food Production Cluster (maize, cassava, cotton, vegetables and groundnuts)
-  3 Grain and Cotton Production Cluster (soybean, maize, cotton and poultry)
-  4 Cashew Production Cluster (cashew nuts, maize, beans, cassava, groundnuts, sesame, vegetables and eucalyptus)
-  5 Integrated Food and Grain Production Cluster (soybean, maize, cotton, seed farm, vegetable and poultry)
-  6 Tea Production Cluster (tea)
-  7 Cuamba Agricultural Infrastructure Cluster (infrastructure, logistics, inputs&services)
-  Others districts



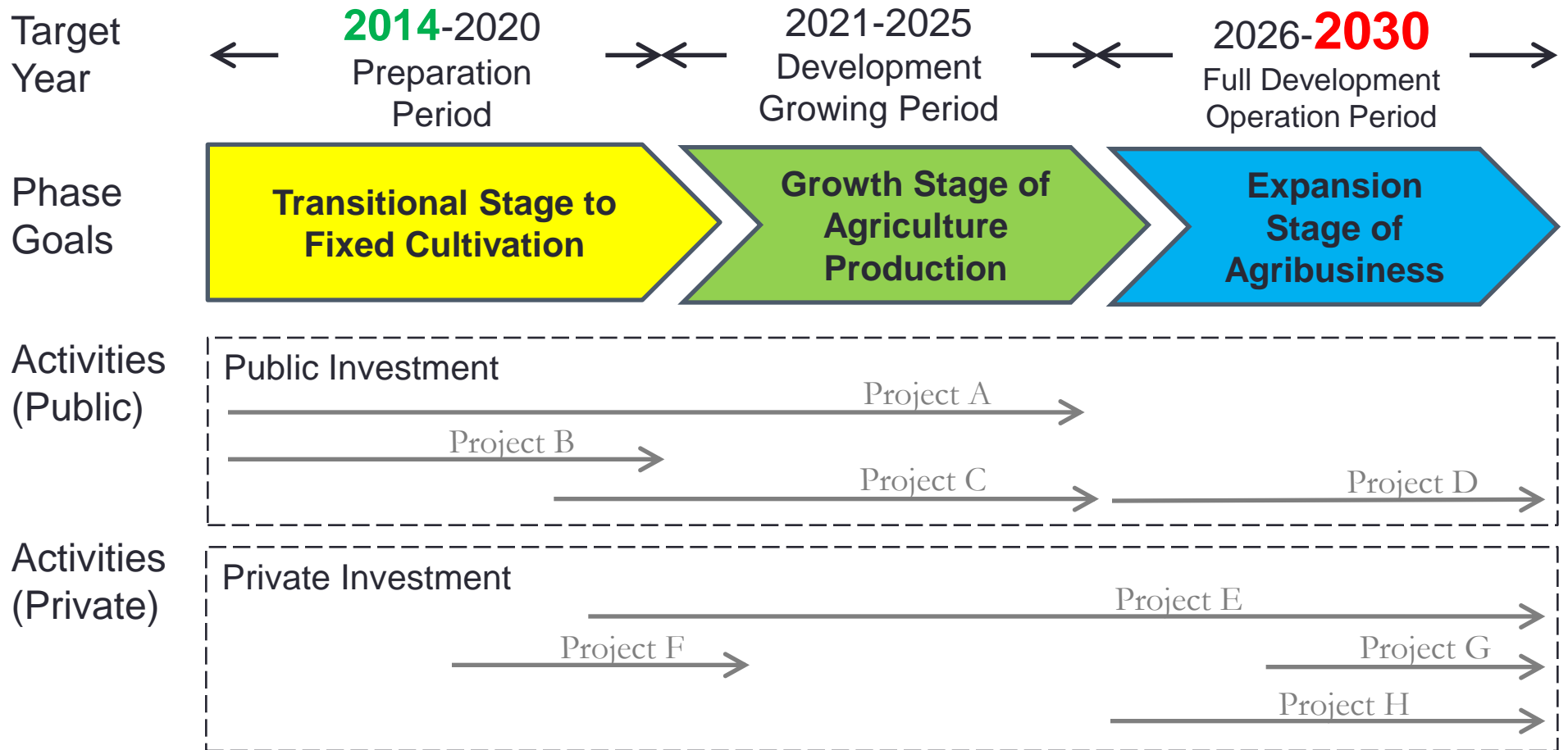
4.3 Cluster Synergies



5.1 Vision and Objective of the Master Plan

- Vision of Agriculture Development
 - *A prosperous, competitive and suitable agriculture is attained in the Nacala Corridor through activating agricultural production of local farmers and promoting agribusiness.*
- Objectives
 - *Improve the agricultural productivity of the small to medium scale farms, and*
 - *Maximize the effects of increased agricultural products to the regional economy through the development of agricultural clusters by the private investment and involving the small and medium scale farms*

5.2 Target Year and Phasing of the Master Plan



5.3 Overall Master Plan Goals by Phase

	Phase I (2014-20)	Phase II (2021-25)	Phase III (2026-30)
Farmer	Yield of crops increases through transformation of practice into fixed farming.	Yield further increases by improvement in farming technology. Crop diversification starts.	Farmers are well-empowered to improve their farming. Diversification of agriculture expands, and some farmers specialize in specific crop.
Cooperative	Involvement of farmers in agribusiness starts.	Participation in agribusiness is strengthened by fostering a sound farmers organization.	Agribusiness development makes a considerable progress, and many agricultural clusters are established.
Business	Private investment in agribusiness starts in consistency with PRAI	Private investment in agribusiness expands, and the development of agricultural cluster starts	

5.4 Type of Master Plan Project

● Platform Project

- **Base projects**, for regional agricultural development aiming to create the environment for activating agricultural production and agribusiness, and are cross-zone project.
- **Commodity-oriented projects**, which aim to promote a specialty agricultural value chain in certain area.

● Pioneer/Model Project for Cluster Development

- The project, which initiates and leads the development of agricultural cluster adopting combination of promising crops for the area identified by agriculture management type zoning. An agricultural cluster itself is established and developed by private economic activity fundamentally.

5.5 List of Master Plan Project (1/3)

No.	Name of Platform Project
1	Project for Land Registration (DUAT) of Small and Medium Scale Farmers
2	Project for Planning of Availability of Land for Investment
3	Project for Strengthening of Supervision Mechanism on Land and Environment Law Enforcement
4	Basic Study for Water Resource Management
5	Forest Initiatives Project
6	Project for Strengthening of Agricultural Research
7	Project for Strengthening of Agricultural Extension Service
8	ProSAVANA Agricultural Academy (Agricultural Development Centre) Project
9	Model Project for Development of Leading Farmers in Community
10	Project for Training for Distributors of Agricultural Inputs
11	Project for Improvement of Accessibility to Fertilizers
12	Project for Promotion of Quality Seed Production at the Regional Level
13	Project for Promotion of Tractor Hire Services

5.5 List of Master Plan Project (2/3)

No.	Name of Platform Project (cont.)
14	Irrigation System Rehabilitation Project
15	Project for Improvement of Irrigation Technology and Construction Quality
16	Project for Vegetable Production Model
17	Project for Establishment of Financial Support System for Small and Medium Sized Agribusiness Enterprises, Farmers' Organizations and Individual Farmers
18	Formulation of the Nacala Corridor agriculture investment fund for large-scale agriculture development project (the Nacala Fund)
19	Establishment of a Support Organization for the Investment and Value Chain Development
20	Project for Capacity Development of Business Development Services
21	Project for Formulation and Development of Modern Agriculture Cooperatives
22	Market Information Access Improvement Project
23	Project for Standardization of Agriculture Products
24	Project for Rehabilitation of Agriculture Storage Facility
25	Project for Improvement of Access Road for Agricultural Activities
26	ProSAVANA Agriculture Special Economic Zone Project

5.5 List of Master Plan Project (3/3)

No.	Name of Pioneer/Model Project for Cluster Development
27	Pioneer Project for Integrated Grain Cluster Development
28	Model Project for Family Food Production Cluster Development
29	Pioneer Project for Grain and Cotton Production Cluster Development
30	Model Project for Cashew Production Cluster Development
31	Pioneer Project for Integrated Food and Grain Production Cluster Development
32	Project for Tea Industry Revitalization

6.1 Purpose, Definition and Type of QIP

● Purpose

To showcase the potential for agriculture development in the Nacala Corridor, which will attract donors to finance the projects proposed in the Master Plan, and attract local and foreign companies to invest in agriculture and agribusiness projects.

To kick-start preparatory activities for cluster development.

● Definition

QIP is a project that will produce visible impacts in the short-term, for which impacts include improved productivity and increased income of beneficiaries, introduction and promotion of improved agriculture technologies.

● Types

- Carried out through public funding (Public Sector Projects)
- Carried out as private investment by agribusiness companies (Private Sector Projects)

6.2 Selection Criteria of QIP

No.	Criteria
1	Producing visible and attractive impacts in the short-term (1~6 years)
2	Simplicity in the formation of the project implementation structure (can easily and quickly be carried out without extensive preparatory work)
3	Level of impact on achieving the development goal in conformity with the zonal development strategy
4	Level of impact on achieving the development goal in conformity with the cluster development strategy
5	Showcases the potential of agriculture/agribusiness development in the Nacala Corridor
6	Availability of financial options for implementing the project (especially for private investments)
7	Level of involvement of small-scale farmers (i.e. introduction of a contract-farming approach in production, especially for private investments)

6.2 List of Proposed QIP

No.	Public Sector Project Name
1	Land registration for small scale and medium scale farmers
2	Road improvements for marketing
3	Promotion of quality seed production at the regional level
4	Promotion of vegetable production with small pumps
5	Renewal of cashew trees
6	Planning of land reserves for medium and large scale investment
7	Model project for the Cluster No. 2: family-level farming for food production
8	Development of agriculture special economic zone (SEZ)

No.	Private Sector Project Name
1	The expansion of poultry business
2	Promotion of the out-grower scheme for soybean production
3	Development of a cassava processing factory and promotion of contract-farming with small-scale farmers for the production of cassava and other crops
4	Promotion of an out-grower scheme for soybean production
5	Promotion of seed production by out-growers under contract-farming arrangements
6	Tea industry revitalization project: promotion of the out-grower model for tea production
7	Promotion of contract-farming for crop production with smallholders
8	Establishment of the mill for poultry feed and flour production

6.3 Implementation Plan of QIP

- Implementation of public sector projects
 - It is critical that a proper coordinating body be formed with the aim of arranging available financial resources for the projects, coordinating with stakeholders and concerned government offices for the initial formulation of the project implementation framework, overseeing the progress of activities, and widely disseminating the results/impacts of the QIPs to the stakeholders including the public, governments, donors, and private sectors.
 - ProSAVANA Headquarters is well suited for taking a coordinating role to facilitate the initiation of project activities with this responsibility being taken over by the ProSAVANA implementing body when it becomes fully functional. In terms of the day-to-day project management of QIPs, the respective provincial and district government offices or institutions will coordinate project activities with local partners such as NGOs.

6.3 Implementation Plan of QIP

Implementing Structure of Public Sector Project

No.	Coordinating Body	Primary Implementing Organization	Local Partner (Implementation)	Other Partner (Ad-hoc support, etc.)
1	- DPA	- SPGC - SDAE	- consulting company	- DNTF (Central Government) - FAO (financing)
2	- DPA	- SDAE	- SDPI, NGO	- ANE
3	- DPA (SPA: Agriculture Service)	- IIAM North East Center in Nampula	- SDAEs	- Local seed growers (private sectors) - DPA (seed inspectors)
4	- DPA	- SDAE	- NGO (that assigns extension workers)	-
5	- INCAJU	- INCAJU	- SDAE	- IIAM, NGO
6	- DPA	- SPGC	- Local consultant - SDAE	- IIAM laboratory for soil experiment
7	- SDAE	- SDAE	- NGO/Consulting Company	- Private sector (processing factory)
8	- GAZEDA	- GAZEDA, Government office (road, electricity, etc.)	- Consulting Company/Contractor	- Private sector (infrastructure development)

6.3 Implementation Plan of QIP

- Implementation of private sector projects
 - QIPs to be carried out by the private sector are autonomous in terms of the formulation and implementation arrangement of the projects, which will be organized according to the business plan of each company.
 - However, most QIPs expect to access the favorable financial scheme of ProSAVANA, such as the ProSAVANA Development Initiative Fund or other financial mechanism to be introduced in the near future, in order to secure financing for the initial investment costs of the project.
 - The ProSAVANA implementing body (or ProSAVANA Headquarters) closely coordinates the formulation of project activities with the agribusiness companies as well as the concerned government offices in line with the requirements of the financing scheme along with the principles for responsible agriculture investment (PRAI).

7.1 Key Principals of RAI

- 1. RESPECTING LAND AND RESOURCE RIGHTS**
- 2. ENSURING FOOD SECURITY**
- 3. ENSURING TRANSPARENCY, GOOD GOVERNANCE,
AND A PROPER ENABLING ENVIRONMENT**
- 4. CONSULTATION AND PARTICIPATION**
- 5. RESPONSIBLE AGRO-ENTERPRISE INVESTING**
- 6. SOCIAL SUSTAINABILITY**
- 7. ENVIRONMENTAL SUSTAINABILITY**

7.2 ProSAVANA PRAI Guidelines

	Index	Contributor	Language	Schedule
Volume 1 for Private Investors	1. Key principles of RAI	Study team	English Portuguese Japanese	Feb.: 1 st draft April: 2 nd draft May: final draft
	2. Legal regulations for RAI in Mozambique			
	3. Recommendable codes of conduct and good practices for investors			
	4. Self Checklist			
	5. Useful links			
Volume 2 for Government Officials	1. Key principles of RAI	Study team & CPI, CEPAGRI, MINAG, MICOA	English Portuguese	April: 1 st draft May: final draft
	2. Legal regulations for RAI in Mozambique (simplified)			
	3. Roles and responsibilities of Government institutions			
	4. Actions of evaluation and supervision (+ checklist)			
	5. Useful links			

7.3 Mechanism of application and enforcement

- To disseminate the ProSAVANA RAI Guidelines among a wide range of users;
- To help the users' better understanding of the Guidelines;
- To strengthen the law enforcement by the Government;
- To set up financial conditions to induce or restrict the behavior of private investors; and,
- To create an autonomous agency with specialized functions to address RAI issues.

MUITO OBRIGADO

Thank you

Arigatou – Gozaimashita

ありがとうございます

