**Preparatory Stage of CAADP National Investment Plan:**

**Summary of Results of Stocktaking Forms Assessment**

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This report summarizes the main results from the first preparatory stage of a CAADP National Agriculture Investment Plan (NAIP) meeting which will take place in Addis Ababa, Ethiopia from February 11-13, 2014, the motto of this consultation event being entitled “**CAADP 10 YEARS ON: DIALOGUE TO IMPROVE IMPLEMENTATION, COORDINATION AND ALIGNMENT WITH NATIONAL AGRICULTURE INVESTMENT PLANS (NAIP).**” The consultation meeting in Addis is organized by the African Union Commission (AUC), in conjunction with the NEPAD Planning and Coordinating Agency (NPCA) and aims to share experiences in the progress, challenges encountered and lessons learned in the implementation of National Agriculture Investment Plan (NAIP). The meeting will also serve as venue to discuss and identify lessons from coordination and alignment efforts of donor assistance to specific components of NAIPs and to review and discuss areas of focus for 2014 towards accelerating the impact of NAIPs and investments on poverty and hunger reduction.

The first preparatory stage was planned to provide invited countries an opportunity to review and discuss the progress achieved, challenges encountered and lessons learnt over the last 10 years of CAADP and to identify priority issues and concerns at a national level to be addressed during the consultation meeting in Addis Ababa. This involvement of countries prior to the Addis meeting was conducted in Mozambique through specific/separate donor working group (AgRED) and government officials of the Ministry of Agriculture (Technical group led by the Department of Economics as CAADP focal point) assessments of progress, challenges and lesson learnt by using stocktaking forms as guide for discussions. The facilitator assisted the Technical team to assess the two stocktaking forms in two different sessions. This team had as permanent members the Deputy Director of Economics, Ms Lucia Luciano and Ms Eulalia Macome, but at different stages and depending on the discussion issue, staff members of the Directorate of Economics (DE) and other Ministry of Agriculture departments were asked to join or to answer specific questions on the forms. On the other hand, donor members of AgRED were provided the two separate stocktaking forms and their answers were then harmonized through AgRED coordination. The facilitator then merged answers from the technical group and from harmonized forms from the donor side. The merged answers of the two stocktaking forms served the basis to build up consensus and validate results of the assessment during the joint National CAADP tem meeting which was held on 29th in the afternoon in the premises of the Ministry of Agriculture. This National CAADP meeting gathered together representatives from different government institutions, representatives from donors within AgRED and, although being duly invited, no representatives of the civil society were present. Attached is the participants list.

**Main Results of Stocktaking Exercise**

This exercise comprised assessments made through two stocktaking forms developed by AUC and NPCA and made available through Africa LEAD II, namely the form for Changes in African Agriculture Resulting from the Implementation of CAADP Approaches and, the form for Mutual Accountability, Donor Alignment, Coordination and Aid Effectiveness.

1. **Changes in African Agriculture Resulting from the Implementation of CAADP Approaches**

Based on pillars for African Agriculture transformational changes identified in the CAADP 2013-2013 results framework, this stocktaking form provides means to assess results focused on: 1) increased agriculture production and productivity, 2) improved functioning of agriculture markets, increased markets, access and trade, 3) increased private sector involvement along the agriculture value chain, 4) increased availability and access to food and access to productive safety nets, 5) improved management of natural resources for sustainable agriculture production and also, the form provided opportunity to discuss 6) progress made regarding women small holder farmers.

1. **Progress on increasing agriculture production and productivity**

The National Investment Plan for Agricultural Sector (PNISA) is still at its early stage of implementation. As a result, no major progress could be reported with regard to production and productivity as an aftermath of the implementation of the National Agriculture Investment Plan. Nevertheless, conclusions from the discussions of the preparatory meeting clearly indicate that PNISA, as an operational tool for the implementation of CAADP incorporated into the Strategic Plan for Agriculture Sector Development (PEDSA), has brought a new vision and changes on the approaches needed to be taken to increase production and productivity. There is now consensus that there is need for an integrated/sectoral approach for agriculture growth, with a fully and coordinated engagement of all players along the agriculture value chain. Expanding this analysis to include the process of establishment of CAADP in Mozambique, it shows that several developments have already taken place with policies and programs being formulated with a broad consultation and being also implemented, the expectation being that there will be an impact on the increase of production and productivity. Due to dynamics induced since CAADP was launched, there was a consensus on overall assessment of this component that progress is taking place. Participants of the preparatory meeting made a brief retrospective analysis of the whole process since CAADP has initiated within the country. This analysis was considered of importance as the establishment of CAADP and the corresponding policy guidelines sets the framework for interventions aiming at increasing agriculture production and productivity. Thus, this next session will briefly review steps taken from rectification of CAADP until the approval of National Investment Plan and the convening of High Level Business Meeting.

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As part of the New Partnership for Africa Development (NEPAD), Mozambique has ratified the Comprehensive African Agriculture Development Program (CAADP) and has also endorsed the Regional Agriculture Policy (RAP) discussed by Ministers of Agriculture of SADC in Maputo, 2013 who also recommended its approval. Subsequently, the country has embarked in the development of its Strategic Plan for Agriculture Sector Development (PEDSA) for a time span of 10 years (2011-20120). PEDSA was approved by the Council of Ministers in May 2010. PEDSA, as an Agriculture Sector Development Strategy, articulates CAADP development goals and priorities and is the main guideline for interventions aiming at increasing agriculture production and productivity within the country. Following CAADP guidelines, in 2010 a National CAADP Team was formed with representatives from government institutions, private sector, civil society, farmer’s organizations and donors. This event earmarked the official launching of CAADP process and later, the Compact of CAADP defining the main priority focus of intervention, was signed in December 2011, the signatories involving major players of agriculture development.

The National CAADP Team was tasked to lead a participatory process aiming at developing the National Agriculture Investment Plan (PNISA) which was approved by the Council of Ministers in December, 2012 thus, fulfilling the third important requirement in the CAADP agenda. This participatory process involved the formation of a technical team and specific thematic working groups, the work of external consultancies and technical and methodological backstopping from FAO. There were also several consultation meetings with government institutions, private sector, international and donor agencies, NGOs and civil society and their contributions were then incorporated in the PNISA document. Following this approval, in April 2013 a High Level Business meeting chaired by His Excellence the President of the Republic was held and the event also served as the official launching of PNISA. Further, PNISA was submitted to independent technical peer reviewers of NEPAD experts and their comments were then incorporated into the document.

These processes of Agriculture Strategic Plan and National Agriculture Investment Plan Development were also accompanied by other important measures, which included the alignment and inclusion in PNISA of the already approved strategic document for food security and nutrition (ESAN II) and the Multisectoral Action Plan for the Reduction of Chronic Malnutrition (PMARDC). In order to reach its objective of increased production and productivity, PNISA sets up the following specific objectives: 1) availability of certified seeds, 2) availability of chemical fertilizers and, 3) use of improved technologies. In this regard a policy matrix was developed to remove barriers perceived as constraints for agriculture development. So, the first policy barrier is related with government intervention on seed distribution which is now restricted to specific food crops and only to attend natural disaster events. Seed legislation under revision opens now a window for private sector accreditation to provide services on seed inspection and, the seed legislation includes its harmonization with SADC norms, particularly with regard to seed trade, quality control and seed certification which have already been incorporated in one specific decree (41/91). On the other hand, the fertilizer legislation was approved in April 2013 through a decree (11/2013) and efforts are ongoing to establish a fertilizer service within the Ministry of Agriculture, this involving also strengthening fertilizer inspection services to monitor fertilizer quality. Legislation that improves land tenure and land use is currently under revision, this being in addition to the normal functioning of a specific consultation forum on land issues, an event where different stakeholders take part.

PEDSA has identified priority agriculture products/value chains in each of the six defined agriculture growth corridors in which, public and private efforts and investments have to be concentrated and, set up an overall target of 7% of agriculture growth rate per year. Averaged over the last few years agriculture production in Mozambique raised at rate of 5-6% per annum, but with variation from year to year reflecting the prevailing climatic conditions during crop season. Nevertheless, agriculture growth rate was still below the target and of only 5.6% in 2012 and there is preliminary indication of a slight decreased to 5.1% in 2013, these growth rates being influenced by climatic adversities, particularly drought and floods.

To sustain agriculture growth, African countries have agreed to allocate each year a value of 10% of national budgetary resource to the agriculture sector (Maputo Declaration, 2003). While in the past the concern was only for the budget allocated to the Ministry of Agriculture, the integrated approach for agriculture growth and development is now bringing a clear picture of the whole government budget allocated to the agriculture sector, which includes all pillars of CAADP. A rough estimate indicates a proportion of 11% of the government budget allocated to the agriculture sector, this figure including budget allocated for the development of agriculture related infrastructures (feeder roads, storage and irrigation facilities, etc), fishery development and agriculture credit. This figure indicates the priority that has been given to the agriculture sector and could be speculated that this improvement results from ownership of PEDSA vision that puts forward the need for an integrated approach for the agriculture sector development. An important step taken in the area of credit for agriculture is the allocation of competitive fund that Government provides each year to each district. This provides an additional opportunity for farmers and professionals and organizations from different economic sectors to submit their proposals to compete for financial resources in order to develop their respective projects and activities.

Recognizing the interdependence and multisectoral nature of interventions that concur for agriculture production and productivity, the challenge is to develop pragmatic and effective mechanisms that ensure and strengthen coordination/articulation efforts, coherence and consistency of various policies, strategies, regulations and tools for implementation. Also, challenges include the need for a joint planning across government institutions and private sector so that different interventions for agriculture development are made in line with PNISA priorities. As it is already of consensus, these priorities include strengthening seed and vaccine production chains, sanitary and phytosanitary interventions, strengthening of innovative methods for agriculture technology transfer, strengthening early warning system, strengthening agribusiness chain program, infrastructure development for irrigation, forest inventory and mapping, agriculture surveys and completion of agro-ecological zoning.

Due to the merit of all these developments and only after some warm discussion, the team has decided to place a green bullet on the ranking of this component, although there is recognition that the time elapsed since PNISA was approved is not sufficient enough to measure production and productivity growth.

1. **Progress on improving the functioning of agriculture markets, increased markets, access and trade**

Overall assessment of this component places the status of the ranking on the green bullet side, thus, meaning that there were policies and programs initiated and implemented to improve farmer’s access to agriculture markets and trade opportunities. One policy development that improves agriculture market functioning was the Government approval of agro-processing strategy and the corresponding action plan is now being developed. Also, in order to improve agriculture market functioning and to take informed decisions based on evidences, the Cashew Nut Institute (INCAJU) is currently engaged in the process of commissioning a market study in the area of cashew nut market. On the other hand, the implementation of the already due agriculture marketing strategy (ECA II) under the Ministry of industry and trade has resulted in important public investments on grain storage structures in the northern and central part of the country, the spill over effect of these investments being increased market opportunities for farmers during PNISA implementation. Public investments on infrastructures, namely roads, transport, communication, market information and storage, have resulted in a more stable prices and market integration of agriculture commodities, particularly of cereals, vegetables and livestock products. Conversely to the past, local produced vegetables and poultry are now prevailing in the local markets, this being outstanding in the town markets of provincial capitals.

In addition, the Government of Mozambique is now implementing the strategy for improved business environment (EMAN II) which is coordinated by the Ministry of Industry and Trade and was approved in September, 2013. It is expected that under this strategy be developed the interoperability among systems in the licensing procedure, which in the first pilot stage will communicate with land use and tenure information system. With a view to improve market functioning and promote increased agriculture production and productivity, the Government of Mozambique created in 2013 the Agriculture Commodity Exchange, but its implementation is still a challenge. It is also important to point out that the contribution of the agriculture market information system (SIMA) has been essential in providing market information thus, rendering it easier for marketing of agriculture products. In addition to market information for cereals and grain legumes, SIMA has already been expanded to include vegetable crops and livestock products, the expectation being for the near future to include forestry products. Last but not the least, there are programs promoting farmer’s trading associations/organizations and also promoting access to financial services.

1. **Progress in increasing private sector involvement along the agriculture value chain**

Private sector is the driving force for agriculture growth and development. They play an important role along the agriculture value chain and due to the fact that they are not homogeneous in size, characteristics and needs, recognition should be given to the fact that their challenges have to be properly and specifically addressed. It is within this context that the public sector continues to concentrate its effort to promote an enabling environment for agriculture and agribusiness improvement and strengthening. In this regard, steps have already been taken to improve land management process and also, tax incentives have stimulated national and foreigner private investments along different segments of the agriculture value chain, notably in the context of production, particularly of poultry, soybean, vegetables and forestry, and also in the context of agriculture marketing and processing. Although policies and programs have already been formulated, there still remains a huge challenge to improve policies and incentives to fully integrate and engage the private sector along the agriculture value chain thus; overall assessment of this component has been ranked as yellow bullet.

1. **Progress on increasing the availability and access to food and access to productive safety nets**

Overall assessment of this component shows that there were policies and programs developed and implementation is ongoing, but due to the challenges ahead the ranking was placed at the yellow side. In this regard, one important development was the creation of SETSAN as coordinating and monitoring body of food security and nutrition. Moreover, in addition to production and productivity related policies, there were significant progresses stemming from policies related to food availability and access and also to productive safety. These policies include the Action Plan for Food Production (PAPA, 2008-2011), National Strategic Plan for HIV/AIDS Response (PEN III, 2010-2014), National Strategy for Basic Social Security (ENSSB, 2010-2014), Strategic Plan for Agriculture Sector Development (PEDSA, 2011-2020), Multisectoral Action Plan for the Reduction of Chronic Malnutrition (PAMRDC, 2011-2014/20), National Program for Food Fortification (PNFA, 2011-2015), National School Feeding Program (PRONAE, 2013-2014/20). In addition to food fortification program involving mixing/blending of minerals and vitamins to cereal flours and cooking oil, it is also ongoing bio fortification initiatives, the main action being the promotion of orange fleshed sweet potato. Important developments are also taking place in the area of fishery with programs being implemented to promote aquaculture and artisanal and small-scale fishing and investments in the area of conservation with cold storage facilities. Public investments on grain storage and conservation facilities are also a contribution to ensuring security of food supply and price stabilization. Despite these investments, participants of meeting highlighted the need to continuously develop programmes for post harvest conservation, particularly at household level where crop losses are perceived as being high.

As a result of the implementation of these and other policies and programs there were improvements in food availability where surplus of maize and cassava have been reported, although concerns exist on the deficit of some of the food basket, namely rice and vegetables. Food consumption improved, with food intake varying from 1750 Kcal/person/day in 2008 to 2500 Kcal/person/day in 2012. Diet quality has also improved, with the number of households consuming acceptable diet increasing from 45% in 2008 to 67% of households in 2011. The number of people affected with extreme food insecurity decreased from 520,000 in 2008 to 300,000 in 2012 and the number of affected districts decreased from 56 to 21 during this same period.

1. **Progress on improving the management of natural resources for sustainable agriculture production**

There are progresses under this component, but challenges are also immense and thus, a yellow sign was given to its assessment. So, in order to improve the governance on the management of land, water and forestry, a set of tools were developed to guarantee access and sustainable use of natural resources. In the area of land management, the Government has embarked for a national agro-ecological zoning with a view to make it easier the process of land registration and allocation, mainly for agriculture development. Public soil services are also being expanded and importantly, there has been implementation of conservation agriculture programmes. As far as water for irrigation is concerned, the irrigation strategic document was approved in 2012 and subsequently, it was created the Nation Institute for Irrigation with a mandate to supervise irrigated perimeters, promote investments concerned with irrigation and guarantee water use efficiency in agriculture.

1. **Progress regarding women small holder farmers**

The Ministry of Agriculture has approved the National Program for Agriculture Extension (PRONEA) which highlights the role and importance of rural women in the context of agriculture growth and development and credit should also be given to their role on fishery development, particularly in the area of processing and trading. Activities planned and developed under PRONEA contribute to the improvement of livelihood of rural women. These activities comprise the area of training emphasizing crop production, post harvest conservation, agribusiness and processing. The interventions also comprise the area of association formation and strengthening, women being around 51% (87135) of the beneficiaries and technical assistance which benefited a total of around of 258407 in 2013. Women are also a target group on the dissemination of HIV related information. The integration of gender as a cross-cutting issue in the planning process with a framework of gender related indicators still remains as an important challenge. Recognition should be given to the fact that challenges that rural women face deserves further attention and thus, the assessment places a yellow bullet in the ranking of this component.

1. **Other dynamics regarding implementation of agreed investment plans**

With regard to the implementation of PNISA, the Ministry of Agriculture and Development Partners are now in the process of establishing a comprehensive structure of dialogue at National level, the content and terms of reference of which being already discussed and approved by the concerned parts. Discussions are also ongoing for the organizational structure for PNISA coordination along the already defined six agriculture growth corridors. Several reforms within the Ministry of Agriculture to align with PEDSA and PNISA and to improve service provisions are ongoing. As mentioned earlier, SETSAN was created a coordinating body in the area of food security and nutrition, other structural reforms involving particularly the Agriculture Research Institute (IIAM) and also Cotton and Cashew nut institutes, namely IAM and INCAJU. Still within the context of reforms and following recommendations from FAO, departments dealing with agriculture statistics and early warning system were merged together, the goal being the improvement of agriculture information system. This need for improvement of agiculture information system involves also a restructuring process of the department dealing with monitoring and evaluation. Also, the Directorate of Economics of the Ministry of Agriculture is engaged in the establishment of a CAADP unity to support in the area of monitoring and evaluation and policy analysis. Efforts are also ongoing in order to integrate and align all policy commitments under PNISA, including demands arising from G8 (New Alliance for Food Security and Nutrition) and under agriculture and fishery development operations (AgFish DPO) of the World Bank.

1. **Mutual accountability, donor alignment, coordination and aid effectiveness**

**a) Progress of the country and donors on engagement and partnership development**

The process of CAADP establishment has been built on the basis of broad consultation and partnership, which was further developed and strengthened around the investment plan. Evidence based analysis was also important as input for PNISA and ReSAKSS and also COMESA and NPCA provided technical backstopping and validation of CAADP compact. Following its launching in April 2013, a roadmap of PNISA is being implemented, this including the monitoring and evaluation framework, policy matrix and the structure and content of the dialogue has been agreed and is being implemented. However, one important challenge that needs to be addressed is the limited involvement in the dialogue process and difficulties of tracing budget allocation to PNISA by of other ministries. Donor disbursements have also been conditioned to PNISA perfection, while there is a perception that this investment plan is subject to a continuous improvement. This, however, should be analysed with caution as at its launch it was recognised by all stakeholders that the investment plan required further finalisation of several aspects. These remaining elements were included in an agreed roadmap of follow-up actions, which are currently being addressed in a strong collaboration between government and partners.

**b) Progress on implementing evidence-based planning**

The process of formulation of agriculture policies has been using evidence-based studies, such as those developed by MSU (Michigan State University), MozSAKSS and from the Ministry of Planning and Development, but the use of these tools for planning process is very limited and remains a challenge. There is also the challenge of finalizing the monitoring and evaluation framework for PNISA and the need to develop further work to harmonize PNISA with Government annual planning tool, known as PES (Socio-Economic Plan), which follows a different structure and is not linked with budgetary allocation.

The directorate of economics of the Ministry of Agriculture as CAADP focal point, counts on technical backstopping of ReSAKSS, MAFAP (Monitoring Africa Food and Agriculture Policies) of FAO, CEPPAG (Research Center for Agrifood Policies) of University Eduardo Mondlane, MSU and IFPRI to develop studies which will feed the process of policy formulation, strategic planning and evaluation of the agriculture sector performance.

**c) Progress on building alliances for investment**

It appears to be too early to assess this component, as PNISA was launched in April 2013. Nevertheless, the Government has been supporting initiatives aiming at strengthening productive capacity of farmers as for examples, projects financed by AGRA, G8, IFAD, EU and others. In addition to this, the Government participates in different forums where information is shared and there have been specific forums where Government and Development Partners share information. The High Level Business meeting was also an important event where donors made important pledges.

**d) Progress on program implementation, M&E and peer review system**

As the process is at the initial stages, much progress is still needed to develop a result oriented system, ensuring adequate complementarities of interventions of different actors and sectors. Progress in this area includes steps for the creation of a Coordination Committee for the Agriculture Sector (CCSA) where government, donors, private sector and civil society participate. CCSA has the mandate to monitor implementation, verify compliance of interventions with Government policies and programmes, assess progress in implementing the program and make recommendations for improving coordination and implementation. In addition, a matrix of agreed interventions for 2013 and 2014 has been set up and, although donors have made pledges to support PNISA, funding gap remains substantial, indicating need for an agreement on new priorities in response to this gap. In addition to the need for the conclusion of the monitoring and evaluation framework, there is the challenge of developing a governance system and a framework of programmatic indicators that covers all agriculture sector, thus going beyond the Ministry of Agriculture and consequently, embracing other relevant Ministries. Other important challenge is to develop a coordinated disbursement mechanism.

**e) Donor Roles and Responsibilities at the International Level**

One of major issue with regard to the role and responsibilities of donors at the international level is concerned with lack of reporting mechanism to share information with governments about off budget support to International NGOs. The importance of this information sharing is related to the need of providing a mechanism for coordinating efforts and to align NGOs interventions with Government priorities. Donor off budget support is also extended to projects under government institutions, rendering it difficult to assess overall budget allocated to agriculture sector development. Apart from this, private investment is of most importance for agriculture growth and development and donors at international level could also play the role of mobilizing foreign private investments for various segments of agriculture value chain.