

WORKING PAPER

working paper **number 170**
june, 2018

ISSN 1812-108x

PAA Africa's contributions to the consolidation of PRONAE in Mozambique

Carolina Milhorce de Castro

Food and Agriculture Organization of the United Nations (FAO)



Food and Agriculture
Organization of the
United Nations



International Policy Centre for Inclusive Growth (IPC-IG) Working Paper No. 170
PAA Africa's contributions to the consolidation of PRONAE in Mozambique
By Carolina Milhorance de Castro

This publication is part of a series of Working Papers produced in the context of the International Year of Family Farming, helping to inform regional discussions and debates about the phenomenon worldwide.

Published by the Food and Agriculture Organization of the United Nations
and the United Nations Development Programme.

© FAO and UNDP, 2018

All rights reserved.

*The International Policy Centre for Inclusive Growth is jointly supported by the
United Nations Development Programme and the Government of Brazil.*

International Policy Centre for Inclusive Growth (IPC-IG)

SBS, Quadra 1, Bloco J, Ed. BNDES, 13º andar
70076-900 Brasília, DF - Brazil
Telephone: +55 61 2105 5000

ipc@ipc-undp.org ■ www.ipcig.org

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO), or of the United Nations Development Programme (UNDP) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO, or UNDP in preference to others of a similar nature that are not mentioned. The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO, or UNDP.

FAO and UNDP encourage the use, reproduction and dissemination of material in this information product. Except where otherwise indicated, material may be copied, downloaded and printed for private study, research and teaching purposes, or for use in non-commercial products or services, provided that appropriate acknowledgment of FAO and UNDP as the sources and copyright holders is given and that neither FAO nor UNDP endorsement of users' views, products or services is implied in any way.

All requests for translation and adaptation rights, and for resale and other commercial use rights should be made via www.fao.org/contact-us/licence-request or addressed to copyright@fao.org.

FAO information products are available on the FAO website (www.fao.org/publications) and can be purchased through publications-sales@fao.org.

UNDP/IPC-IG publications are available online at www.ipcig.org/publications free of charge.

ISBN: 978-92-5-130473-0 (FAO)
Print ISSN: 1812-108X

IPC-IG Working Papers are available online at www.ipcig.org
and subscriptions can be requested by email to ipc@ipc-undp.org.

ABBREVIATIONS AND ACRONYMS

EMBRAPA	Brazilian Agricultural Research Company
FAO	Food and Agriculture Organization of the United Nations
FDD	District Development Fund
NUIT	Unique Tax Identification Number
P4P	Purchase for Progress
PAA	<i>Programa de Aquisição de Alimentos</i> (Food Acquisition Programme, Brazil)
PAA Africa	Purchase from Africans for Africa
PAMRDC	<i>Plano de Ação Multissetorial para a Redução da Desnutrição Crônica</i> (Multisectoral Action Plan for the Reduction of Chronic Malnutrition)
PEDSA	<i>Plano Estratégico para o Desenvolvimento do Sector Agrário</i> (Strategic Plan for the Development of the Agrarian Sector)
PRONAE	<i>Projecto de Alimentação Escolar</i> (National School Feeding Programme)
SDAE	<i>Direcção Distrital Actividades Económicas</i> (District Economic Activities Service)
SETSAN	Technical Secretariat for Food and Nutrition Security
UGEA	Management Unit for Executing Acquisitions
UNAC	National Peasants' Union
UNICEF	United Nations Children's Fund
WFP	World Food Programme

PAA AFRICA'S CONTRIBUTIONS TO THE CONSOLIDATION OF PRONAE IN MOZAMBIQUE

Carolina Milhorange de Castro¹

1 PRESENTATION AND OBJECTIVES

The public purchasing of food from family farming has the potential to ensure that vulnerable populations have access to locally produced food, income generation, strategic stockpiling and food assistance, by providing food to schools, restaurants, hospitals and other public institutions. This strategy combines food assistance with measures to support production, and focuses on strengthening the social and institutional conditions in the country. A structured demand for small producers affords greater security to the production planning process and to the organisation and respective remuneration of producers. These initiatives have demonstrated the capacity of family farmers and their associations to bring quality products to market, thus contributing to rural development.

In Brazil, the Food Acquisition Programme (*Programa de Aquisição de Alimentos*—PAA) was created over 10 years ago under the *Fome Zero* (Zero Hunger) strategy, which received priority from the government and benefited from multi-stakeholder involvement by the government and civil society organisations. The programme sought to strengthen institutional conditions and ensure the access of family farmers to the market and the access of food-insecure populations to quality food products. The increased supply of these products has been stimulated by easier access to credit, new market opportunities and reduced risks. At the same time, the National School Feeding Programme (*Programa Nacional de Alimentação Escolar*—PNAE) has shown that integrating products from family farming into school meals helps increase the quality of meals served in schools, the consumption of fresh and diversified products and the level of food acceptance by students.

The Purchase from Africans for Africa (PAA Africa) programme executed a pilot initiative for local food purchases, funded by the Brazilian government and the UK Department for International Development (DFID) in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP). Implemented in five African countries (Ethiopia, Malawi, Mozambique, Niger and Senegal), the programme fostered a multisectoral approach to promoting food and nutrition security and income generation for smallholders.

1. Food and Agriculture Organization of the United Nations (FAO).

This programme sought to contribute to the consolidation of a local government purchasing strategy in Mozambique, in line with the country's rural and social policies. The PAA Africa pilot initiatives were aimed at strengthening the government's institutional capacities, as well as testing purchase and producer support models to inform the design and improvement of state and government policies and programmes, such as the National School Feeding Programme (*Projecto de Alimentação Escolar*—PRONAE). This programme was approved in 2013 by the Mozambican Council of Government Ministers, which laid out the institutional foundation for school feeding within the educational system, thus reaffirming the potential of local food purchases in promoting food and nutrition security. In Mozambique, food assistance for students has historically come from external sources, which may distort local markets and discourage production.

In this context, the Council of Ministers recognised the multisectoral potential of school feeding for improving the quality of education and the development of the local economy. Agricultural production practices were also adopted in schools, to improve production skills and promote diversified diets. The Ministry of Education and Human Development has implemented two PRONAE pilot initiatives. The first initiative was carried out in two districts in Tete province, with support from the WFP; the second initiative was implemented in 12 schools in the provinces of Gaza, Manica, Tete and Nampula, with support from the WFP and the Government of Brazil. Some of the results of the pilot initiative included capacity-building for managers at all levels, training for volunteer cooks and the deployment of infrastructure required for food preparation.

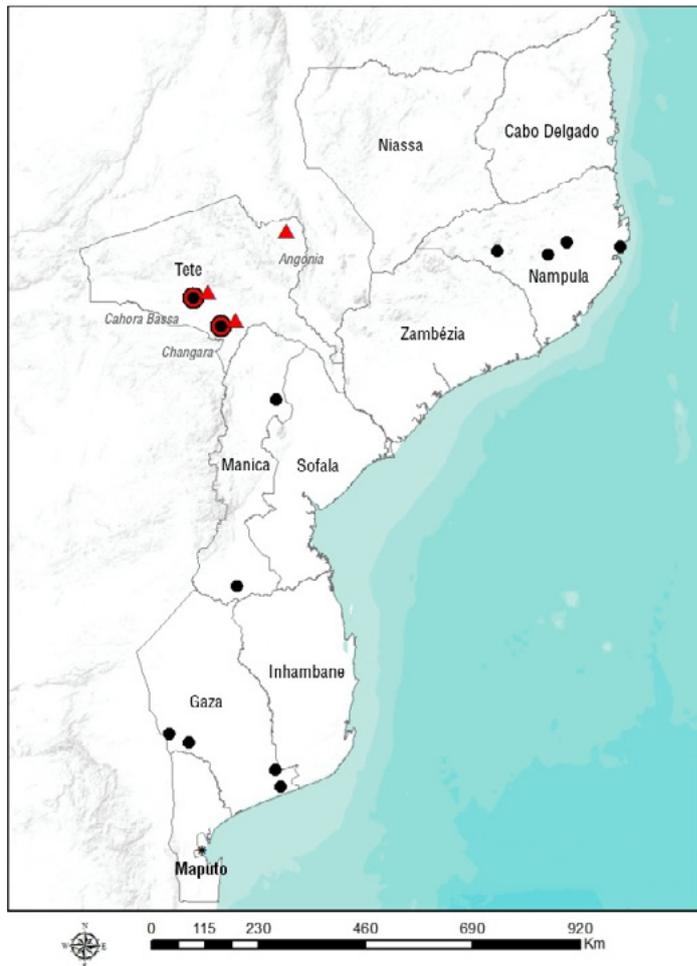
The second phase of PAA Africa supported the consolidation of PRONAE. Its specific objectives included revitalising the local economy through local purchases, increasing the productivity of family farming systems and guaranteeing access to food for nutritionally vulnerable students. These objectives were aligned with local activities to support the production and trade of cereals and legumes in the districts of Angónia, Changara and Cahora Bassa in Tete province (see Figure 1). The programme was organised into two main components: first, an operational component, which included technical support to small producers and their associations by providing training in production and trade, promoting the Farmer Field School extension methodology² and distributing subsidised agricultural inputs and equipment (see Figure 2). This component also included capacity-building for local governments and schools to purchase food products and offer students a diversified diet. The second component sought to strengthen multisectoral political dialogue by forming technical groups, producing knowledge and exchanging experiences at domestic and international meetings.

The management of food purchases (especially vegetables) posed a challenge for local authorities and school managers. The rules and procedures in place were not suited to the specificities of purchasing horticultural products. The programme instituted different purchasing models in each participating country, taking local contexts into account. In most cases, purchases were carried out through decentralised arrangements involving schools and district authorities. In Mozambique, the WFP acted as an intermediary in the purchase of cereals. As such, the lessons learned from the PAA Africa pilot experience had demonstrative potential for the validation of productive and institutional arrangements to be considered at the national level.

This document aims to capitalise on the results of the pilot experience and qualitatively evaluate its contributions to the consolidation of an institutional market strategy for family farming in Mozambique. It presents the key activities under PAA Africa, particularly modalities aimed at supporting production and purchasing from small producers, based on:

- i) surveys conducted on field trips between April and June 2014 and between October and November 2015; ii) discussions within the PAA Africa Technical Group in 2014 and 2015; iii) individual meetings with direct and indirect programme stakeholders, including programme managers, government, producers and civil society organisations; and iv) official documents on the priorities for Mozambique's rural sector.

FIGURE 1

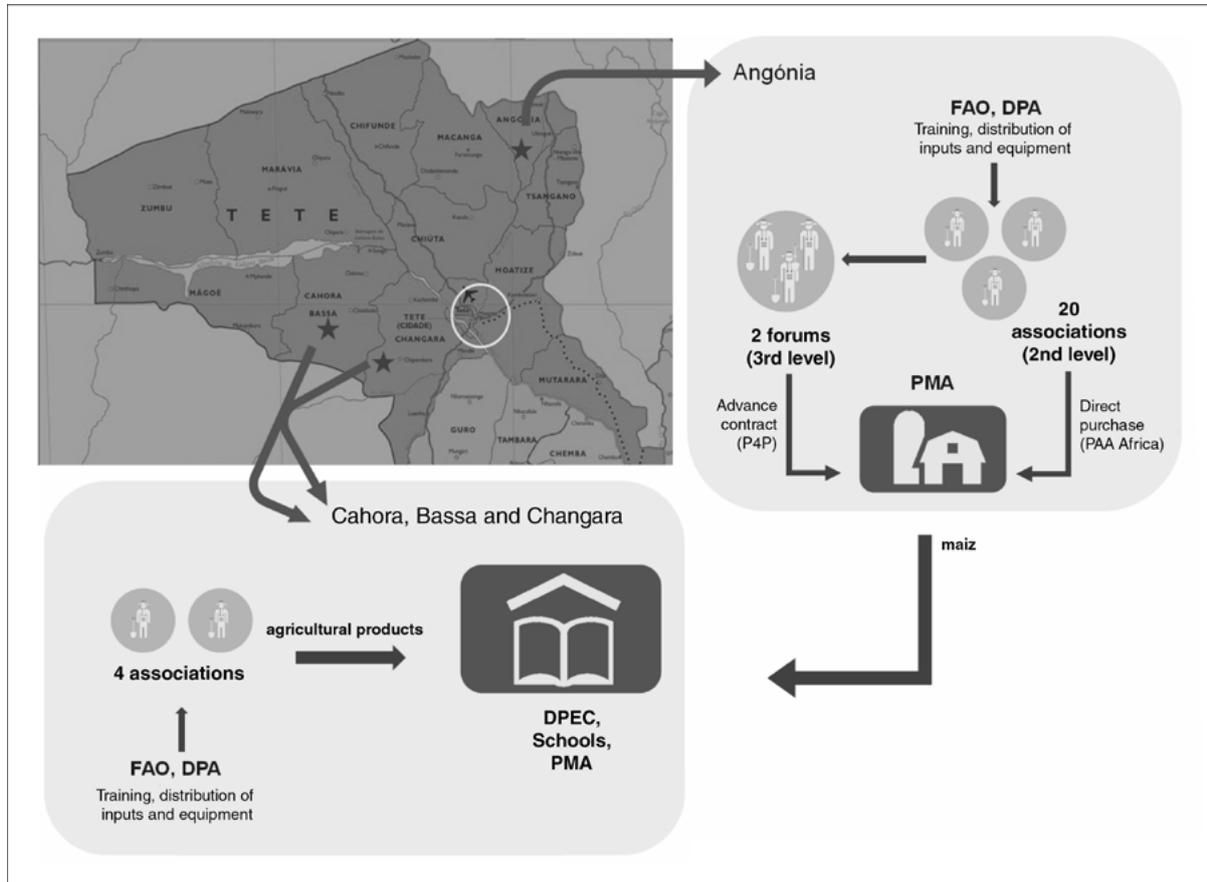
Location of the PAA Africa and PRONAE pilot initiatives in Mozambique

- ▲ 24 farmers' associations supported by PAA Africa
- 26 schools supported by PAA Africa (+149 schools supported by P4P)
- 12 schools supported by PRONAE

Source: Author's elaboration.

The pilot initiatives have shown that difficulties in coordination among the primary parties behind the programme—FAO, WFP and local governments—posed major challenges to programme implementation. In addition, the level of integration among the sectors involved—particularly in agriculture and education—in both the planning and implementation of the initiatives was key to the success of the programme, as will be discussed in the first part of this report. Another key factor was the definition of the purchase and production support model, which will be analysed later in this document.

FIGURE 2

Outline of the PAA Africa operational component in the province of Tete, Mozambique

Source: Author's elaboration.

2 INSTITUTIONAL MARKETS IN THE CONTEXT OF PUBLIC POLICIES IN MOZAMBIQUE

2.1 CONSISTENCY WITH NATIONAL FOOD AND NUTRITION SECURITY STRATEGIES

A multisectoral approach is key to consolidating institutional markets for family farming. However, harmonisation between different parties and policy objectives requires more than just coordination. It requires ongoing dialogue and institutional change, which, in turn, depend on initiatives to develop public policies in the medium to long term. The establishment of an institutional foundation for PRONAE within Mozambique's educational system was a fundamental step in consolidating local purchases. This measure was consistent with government plans to promote food and nutrition security, such as the Action Plan for Poverty Reduction (*Plano de Ação para Redução da Pobreza—PARP*), which introduced a comprehensive approach to increasing agricultural production and productivity and acknowledges the interdependent and multisectoral nature of achieving this goal. Additionally, the Multisectoral Action Plan for the Reduction of Chronic Malnutrition (*Plano de Ação Multissetorial para a*

Redução da Desnutrição Crônica—PAMRDC) spans nutrition education, school vegetable gardens, post-harvest aspects and support for diet diversification, as well as the use of highly nutritional crops. The National Strategy for Basic Social Security (ENSSB 2010–2014) also includes the provision of food to regular primary schools, as well as to other vulnerable groups, thus casting a ‘safety net’.

The document to guide the integration of food and nutrition security priorities into the Government Five-Year Programme (PQG, 2015–2019), prepared by the Technical Secretariat for Food and Nutrition Security (SETSAN) in December 2014, considered the need to diversify and increase agricultural production through adequate and modern techniques and emphasised the importance of ensuring the access of households and schools to highly nutritional food, in addition to promoting nutrition education. This document also considered the possibility of strengthening the institutional foundations of SETSAN and the structure behind the multisectoral coordination of food and nutrition security activities. PAA Africa was designed around these objectives, and has the added potential to contribute to the ongoing national debate on the human right to adequate food, incorporated by the Food and Nutrition Security Strategy II (ESAN II) 2008–2015. This strategy is currently under evaluation; civil society organisations have been consulted and believe the inclusion of the local purchasing policy instrument (in its newest version) to be quite timely.

Despite their potential to stimulate the local economy, food assistance initiatives require a high fiscal capacity. In the case of PRONAE, the programme was not included in the state budget and, as such, was unable to continue and expand to other regions of the country. Furthermore, as will be discussed in the next section, the consolidation of a public strategy to purchase from small farmers requires institutional and regulatory adjustments, as well as coordination between agricultural and social policies spanning beyond the enactment of the programme at the national level. School feeding in Mozambique is not regulated by a national school feeding law that ensures the participation of local farmers. This instrument falls under the regulatory framework for public purchasing in general (Decree 15/2010), which imposes a series of challenges when purchasing food from local family farmers.

2.2 POTENTIAL FOR COORDINATING PUBLIC FOOD PURCHASES WITH AGRICULTURAL POLICIES

Regarding public policies for the rural sector, there is ample room for incorporating or creating synergies with public food purchases. The last decade saw the approval of national strategies for the agricultural sector,³ which included several action plans for the sector, with an emphasis on the Strategic Plan for Agricultural Development (*Plano Estratégico para o Desenvolvimento do Sector Agrário*—PEDSA). In addition to the inclusion of internationally recognised principles (poverty reduction, promotion of gender equality, sustainable use of natural resources and combating HIV/AIDS), certain aspects have remained unchanged in the documents—for example: concern for food security and income generation for producers, interest in targeting peasant agriculture to modernise and improve market access, and promoting private investments to ensure food supplies for the industry and the domestic food market, in addition to increasing the sector’s competitiveness in international markets.

The government’s main agricultural strategies aim to promote the shift to commercial agricultural production among small farmers.⁴ However, these actions fail to explore the potential of domestic public food markets. In this context, there is still much room to

consolidate institutional markets as a means of fostering rural development and food and nutrition security. Going beyond the potential for school feeding, Mozambique also has a wide range of food-purchasing institutions, such as health centres and orphanages; these are opportunities to drive demand forward and strengthen the local agricultural market, provided there are instruments available to do so.

The National Agricultural Extension System has received increasing support in the country, but human resources and operational means remain limited, especially at the local level. The private sector and non-governmental and international organisations have participated quite actively in this context, though private services focus mostly on crops of high commercial value. PAA Africa contributes to the discussion about the need to strengthen public or private extension services geared towards crop production and which may benefit government food purchases, such as through PRONAE.⁵

In parallel, the National Food Fortification Programme was established under the Ministry of Industry and Commerce with the goal of reducing chronic malnutrition. The process is being carried out by medium and large processors, which may pose additional challenges to decentralised local purchases. Finally, PRONAE's pillars emphasised the responsibilities of the education sector, with less emphasis placed on coordination with agricultural production and local purchases. These pillars included: i) improving the nutritional and health status of students; (ii) food and nutrition education in schools; and iii) developing students' agricultural production skills. Despite including the principles of multisectoral action and local purchases, the programme did not contemplate specific activities to support local farmers. The document states that technical assistance to producer organisations should be provided by the agriculture and trade sectors, but integration with district-level extension services has proved insufficient in most cases.

2.3 PAA AFRICA'S CONTRIBUTION TO THE CONSOLIDATION OF MULTISECTORAL DIALOGUE

2.3.1 Establishment of coordination spaces

PAA Africa fostered a multi-stakeholder approach that brought together implementing agencies, Brazilian partners, public institutions from different sectors and Mozambican civil society organisations to engage in a discussion within the context of the technical group.

Created informally as part of the Mozambican government, the PAA Africa technical group was formed in 2012 and consolidated in 2014 to monitor the planning and implementation of the programme and capitalise on the results of pilot experiments, to develop a public purchasing strategy for local agriculture at the national level. However, the frequency of regular meetings, the information flowing between representatives and the level of interaction with PRONAE's multisectoral group were deemed insufficient to achieve the programme's dissemination objectives and strategy implementation. At the provincial level, coordination meetings were held in the city of Tete to exchange experiences in 2014 and 2015.⁶ These meetings allowed for an assessment of the overall landscape and a concrete evaluation of local needs when executing activities under school feeding programmes.

A proposal was submitted to create a provincial technical group comprising PAA Africa and PRONAE representatives at the province level, but the project did not materialise.

Provincial meetings were held exclusively on an *ad hoc* basis. Another failed proposal sought the creation of a high-level advisory council, which would have been able to gradually strengthen political and budgetary commitments to local purchasing initiatives and advance the process of building a national strategy. Beyond limitations in political-institutional coordination, finding an institution to lead the council proved difficult. In the initial proposal, the council resembled SETSAN, under the Ministry of Agriculture.⁷ The consolidation of multisectoral dialogue within SETSAN could help strengthen the secretariat and its coordination capacity, thus avoiding the multiplication of consultation structures for related issues.

In this case, political and institutional coordination—elements crucial to the consolidation of such a strategy—were insufficient, at both the national and provincial levels. This type of activity requires a considerable investment of time. However, programme managers at the FAO, the WFP and the government itself focused their efforts on implementing the planned activities, while paying little attention to permanent coordination needs.

2.3.2 Exchanges of experience and social participation

The involvement of civil society organisations in the monitoring of PAA Africa activities has been encouraged since the early stages of the programme. Representatives from these organisations underscored the need to consolidate participatory monitoring and evaluation mechanisms. The National Peasants' Union (*União Nacional de Camponeses*—UNAC) took part in the formulation of phase II activities for the programme, and was subsequently invited to join the technical group. Additional meetings were held in 2014 with representatives from non-governmental organisations (NGOs), academia and social movements;⁸ the Rural Mutual Aid Association (ORAM) was elected as an additional representative of civil society in the PAA Africa technical group.⁹ Deeper ties with Brazilian NGOs and social movements—including the National Council for Food and Nutrition Security (CONSEA)—also helped shape mutual understanding on the potential of the instruments proposed by PAA Africa for rural development.¹⁰

The involvement of these organisations in programme activities was aimed at strengthening social control over programme execution and building a support and advocacy foundation to consolidate the local food purchase strategy at the national level. In this context, a map of national and local civil society organisations was created in 2014 to help them monitor PAA Africa,¹¹ but these efforts did not continue in 2015.

Despite the potential of civil society organisations to engage in strengthening the local purchasing strategy, this effort proved insufficient and often disconnected from the expectations of the organisations themselves. At the national level, the technical group was considered an important space for coordination, but meetings were organised sporadically. This situation was criticised by most organisations, but nevertheless supported the consolidation of local purchases as a means of promoting rural development in Mozambique. This involvement was part of a broader coordination process among civil society representatives from the Community of Portuguese-Speaking Countries aimed at strengthening public policies on food security.¹² As stated by a UNAC representative during a civil society meeting, PAA Africa was akin to a 'seed' capable of stimulating the debate on public markets for peasant agriculture. However, according to this representative, the initiative should be carried out by Mozambican organisations as public policy and would depend on institutional changes and advocacy for consolidation.¹³

At the provincial level, despite the attempt to create a group similar to the national technical group for coordinating and monitoring the programme, most organisations consulted showed interest in participating directly in the implementation of activities as service providers. This kind of engagement by the organisations, however, was not what the original proposal intended. In the wake of the September 2015 coordination meeting, discussions were held on the possibility of more effective involvement of the Tete Provincial Peasants' Union (UPCT) and the capitalisation of its experiences in associativism and peasant mobilisation. It is worth noting, however, that information must be made publicly available before social control mechanisms can be consolidated, and this was not done effectively.

In addition to these initiatives, several meetings to exchange experiences were held internationally, with the participation of representatives working on this agenda from every PAA Africa partner country. In May 2013 a large-scale meeting in Senegal contributed to the preparation of the second phase of the programme.¹⁴ This phase was then subject to evaluation by country representatives at a meeting in Ethiopia in June 2014.¹⁵ In May 2015 a working meeting was held with representatives from Mozambique and Malawi to discuss, among other issues, simplified purchasing modalities aimed at small producers.¹⁶ At a larger event held in Tete province in November 2015, PRONAE managers from different provinces, central and district government representatives and civil society in Mozambique were able to engage in a deeper discussion with their counterparts from Malawi.¹⁷

This type of interprovincial and international exchange of experiences contributes to the construction of coordination spaces and increased transparency, as well as to lessons learned about purchasing modalities for small producers and production support methodologies to diversify the diets of beneficiary students. These initiatives ensure results that are often intangible, such as the building of knowledge and the formation of professional and common-interest networks. However, they are also essential for tangible results in establishing participatory mechanisms for evaluating experiences, operational learning, aligning visions and strategic objectives, as well as deepening the interaction and technical dialogue among various stakeholders involved in school feeding and rural development. For enhanced results, the experiences and discussions should be more widely disseminated.

3 RESULTS OF THE SUPPORT PROVIDED TO AGRICULTURAL PRODUCTION SYSTEMS

The consolidation of a local purchasing strategy will depend on overcoming certain production and post-harvest constraints. PAA Africa sought to strengthen the production and organisational capacities of small farmers, in accordance with the objectives laid out by Mozambique's public policies for the rural sector, particularly PEDSA. The contribution of representatives from SDAE in prioritising activities, identifying producer associations and providing training has enabled a finer alignment with public policies, as well as a stronger presence of the agricultural sector in purchases carried out at the local level. The FAO participated directly in the implementation of support activities for the Angónia, Changara and Cahora Bassa production systems, which benefited over 600 producers and included:

- training in grain and horticultural production techniques, post-harvest handling and production planning offered to 20 producer associations in the district of Angónia, in affiliation with two agricultural forums (the Tilimbique Agriculture and Livestock

Association and the Chiquirizano Agriculture and Livestock Association) and four associations in the districts of Changara and Cahora Bassa;

- technical assistance to those responsible for school gardens in the districts of Changara and Cahora Bassa;
- subsidised credit offered for inputs (seeds, fertilisers, insecticides) and agricultural equipment (irrigation pumps, irrigators), accompanied by training about their use and maintenance;
- promotion of the Farmer Field School extension methodology and demonstration camps set up in producer associations;
- training in the post-harvest handling of cereals and vegetables and support for the construction of improved barns; and
- support for the organisational development of the associations, including management training and formalisation, preparing business plans and identifying additional buyers.

The technical means and materials used in rural extension services are limited in the face of the country's needs, which constrain the intensification of production. There were about 800 'extensionists' in the national public service network as of 2015, of whom 10 in Angónia, three in Cahora Bassa and two in Changara. Small producers' access to credit is also limited and often concentrated in the hands of private operators and farmers who are better equipped with factors of production. However, the District Development Fund (FDD) can be mobilised for this purpose. Therefore, PAA Africa support to producer associations, SDAE technicians and school gardeners has contributed to achieving some of Mozambique's public policy objectives (PEDSA, PNISA, Agrarian Extension Master Plan, PRONAE etc.), with particular emphasis on farmers' production and capacity to access markets. This support has helped strengthen the institutional capacities of district services and complement existing technical and material resources. The programme has also demonstrated that the distribution of inputs and equipment (via credit) contributes to increased agricultural production and productivity and helps meet the needs of institutional markets (in line with the FDD). Finally, these activities contributed to multisectoral integration at the local level—an element indispensable to the implementation of local purchases. The potential and challenges of this approach will be discussed next.

3.1 INSTITUTIONAL STRENGTHENING AND MULTISECTORAL COORDINATION AT THE LOCAL LEVEL

Agricultural institutions in Mozambique show weaknesses in terms of human and material resources, especially at the provincial and district levels, and their coordination efforts are insufficient. Institutional strengthening is one of the pillars of PEDSA (pillar IV); PAA Africa envisions three main initiatives at the local level: i) alignment with local government priorities for rural development; ii) involvement of SDAE technical staff in training and identifying associations; and (iii) coordination with other sectors, especially education and commerce.

The first initiative has strengthened provincial and district institutions in terms of planning and setting local strategies for rural development. However, the outcomes of this process must be verified in the medium term; they could benefit from programme continuity. The second initiative has been successful in strengthening human resources in district services, despite the limited scale of interventions.

Finally, the programme has ensured greater participation by agricultural services in the implementation of local purchases, as well as their integration with commercial and financial institutions (to formalise producers' associations), education (to coordinate between associations and schools that benefit from school feeding, and training for school gardeners) and food and nutrition security (through PAMRDC). It should be noted that in provinces where local purchases for school feeding were not supported by PAA Africa, multisectoral coordination was minimal, especially with the agricultural sector. This observation was corroborated by PRONAE's evaluation¹⁸ report (Fret and Pinto 2016) and confirms the importance of rural extension services in this process. Coordination could also be further developed and extended to other sectors—for example, by using the FDD to purchase inputs. Mechanisms used for coordination and information flow could also be strengthened, by means of a technical group at the provincial and/or district level.

3.2 SUPPORT FOR DIVERSIFICATION AND SCALING UP PRODUCTION

Challenges related to increased production and productivity were identified by many of the public strategies put in place for the rural sector in Mozambique; these were taken over by PEDSA, under one of its pillars (pillar I: increased productivity, production and competitiveness in agriculture). Issues such as low access to technical assistance, inputs (seeds and fertilisers) and storage infrastructure were taken into account by the PAA Africa programme, with support from the FAO. As previously discussed, these activities included: i) training in cereal and vegetable production techniques, production and diversification plans and post-harvest handling; ii) technical assistance to those responsible for school gardens; iii) distribution of agricultural inputs and equipment; and iv) promotion of the Farmer Field School extension methodology and demonstration fields.

In addition to the previously mentioned potential—such as the adoption of more productive agricultural practices—other aspects were highlighted during the field visits:

- Representatives of the SDAEs and farmers consulted in Angónia, Changara and Cahora Bassa acknowledged the importance of these new techniques, with special emphasis on the production plan. Training, however, involved only a small number of producers; as such, the dissemination of the acquired knowledge to other members was limited and depended on the mobilisation of the leaders of each association, especially given the size of the associations in the district of Angónia.
- The Farmer Field School extension methodology showed great potential as a multiplier. This, however, requires more time for organisation and follow-up. This methodology was evidenced in the Mozambican Land Extension Master Plan (2008–2016) as an approach that promotes participatory and pluralist extension: producers actively participate in deciding the topics to be addressed by technical staff; the knowledge imparted builds on the farmers' own experience.
- Another approach to be considered is the identification of farmer leaders who would supplement the efforts of rural extension services by disseminating knowledge. In the case of Malawi, such farmer leaders are officially integrated into rural extension public services.

In addition to training, the distribution of inputs and agricultural equipment was deemed crucial by the programme stakeholders:

- The distribution of motor pumps to schools and producer associations (including technical assistance for their handling) was noted particularly in the districts of Changara and Cahora Bassa, semi-arid regions where production is based on rainfed systems. A few challenges were detected in the distribution of pumps—more specifically, in the coordination with the provincial services and in the shared use of the equipment by different members of the associations, and not just the leaders. The provision of additional pumps could be supported by programme partners—for example, by means of subsidised or revolving credit.¹⁹
- The subsidised sale of seeds was considered important by all farmers consulted. However, delivery delays and low-quality seeds were reported. In many cases, such issues make production unfeasible and should be closely monitored by programme managers.

Among the key challenges to this approach is finding sustainable and low-cost production technologies for producers.

- The use of locally available inputs could be promoted, and the direct involvement of producers in the development of methodologies could be intensified. It should be noted that in the district of Angónia the use of hybrid maize seeds associated with heavy fertiliser use ensures higher productivity than in the other districts of Tete; however, this increases production costs and makes farmers dependent on a specific technological package, which is not always available locally. Weak knowledge and/or use of conservation agricultural techniques, crop rotation, organic fertilisers, seed banks etc. was observed. In Changara and Cahora Bassa, water resource limitations compound the aforementioned constraints to production. Plants in this region have little organic matter and high levels of soil exposure; according to EMBRAPA technicians, this contributes to the instability of local agricultural systems. Access to water is considered the greatest challenge to agricultural production in this region, as it limits production throughout the year. Vegetables are grown close to rivers, which, in turn, suffer from silting. Incentives to conservation agricultural initiatives that include the use of vegetal cover should be considered more systematically. Agricultural and climate conditions are not favourable for maize production in this region, so other locally produced crops could be considered as complements to vegetables in school feeding. That would minimise the challenges in transporting cereals from Angónia.

3.3 IMPROVED POST-HARVEST HANDLING AND DEFINITION OF QUALITY STANDARDS

Improved post-harvest management is one of PEDSA's main objectives, as part of its market access pillar (pillar II). PAA Africa supported the enhancement of post-harvest handling and contributed to increasing product quality:

- Improved storage conditions—especially for cereals—were enabled through training and materials supplied for the construction of *gorongosa*-style barns. For this process to continue, individual and collective warehouses for cereals and legumes would need to be strengthened and increased in number.

- In addition, the FAO has conducted a series of training sessions that include vegetable conservation techniques by means of dryers distributed to farmers. With regard to school feeding, vegetables are purchased in small quantities and delivered weekly, in light of the challenges inherent in conserving these products.

The establishment of—and compliance with—quality standards still poses challenges to expanding local purchases:

- The WFP has set quality standards for grain purchases under various programmes. The regulatory frameworks in Mozambique do not set specific standards for vegetable purchases. However, PRONAE and the WFP offered training in basic acceptable standards and product storage to the schools that benefit from the programme. This has been a major challenge, as it requires continued support provided to schools and greater alignment between the standards set by the WFP and the capacities of local institutions.
- If institutional markets expand, the integration of private or public intermediaries (for example, the Grain Institute or the Mercantile Exchange of Mozambique) could be a means of incorporating supply agents, thus ensuring greater quality control.

3.4 STRENGTHENING THE ORGANISATIONAL CAPACITY OF PRODUCER ASSOCIATIONS

Promoting and strengthening producer associations is one of the objectives under PEDSA's pillar on institutional strengthening (pillar IV), meant to generate economies of scale in the use of services and inputs. PAA Africa has contributed to these objectives through several initiatives:

- The process of legalisation and fiscal registration of associations was initially facilitated by FAO and WFP monitors²⁰ and, subsequently, by creating tax units within the districts. In this context, other associations (not benefited by the programme) could be formalised by district services in Changara, which would help meet the growing demand from schools.
- According to the farmers and technicians consulted, training in organisational and financial management and in product commercialisation was absolutely essential, especially in Changara and Cahora Bassa, where associations are more fragile. Producers in the district of Angónia are more closely organised in associations and forums, with a history of receiving support from other governmental and non-governmental organisations (Clusa, Adem etc.). However, this process must be continuous to empower a larger number of producers and increase the associations' access to credit and capacity to manage their resources (e.g. through savings groups).
- PAA Africa's decision to channel support to 20 smaller associations (10 member associations from each of the two forums, Tilimbique and Chigrizano), coupled with support provided to the forums, ultimately yielded positive results, as it strengthened associations that were not very active or had not benefited much from the activities.

These activities faced certain challenges that must be considered when expanding the programme:

- The process of legalisation and fiscal registration of associations was a major challenge for the PAA Africa pilot initiative and may limit the expansion of local purchases to districts where government services have no representation from the tax authorities. Though the process of legalising agricultural associations at the SDAEs was made simpler (Decree Law 02/2006), tax registration (NUIT) papers had to be requested at the provincial level. In such cases, documentation *brigades*—supported by the Ministry of Finance—could be an interesting option.
- The requirements for formalising associations could be made simpler. It should be noted that, in Brazil, the programme includes informal groups of farmers—individual holders of declarations issued locally. This decision takes into account the predominance of informal groups and guarantees their gradual inclusion in the formal system, while fostering income generation and market insertion.
- Moreover, this process must be aligned with local social organisation practices. In districts such as Changara and Cahora Bassa, few associations have been formed, and they remain very fragile, often created in response to public projects/programmes. Training sessions could also be coordinated with the activities performed by other organisations operating in the region. The proposed involvement of the Tete Provincial Peasants' Union in the promotion of associativism could be a step in this direction.
- A few stakeholders in Angónia believe that simultaneous support to associations (second level) and forums (third level) may increase the implementation challenges and the risk of conflicts of interest between the forums and their member associations (which would start selling directly to the WFP, without intermediation by the forum). However, it opens the possibility of supporting both aspects of producer organisation and benefits the forum itself in the execution of its duties.
- Finally, it should be noted that national strategies such as PEDSA emphasise approaches such as associations by product throughout value chains, production contracts with the private sector, and access to credit by means of collateral in collaboration with financial institutions. The focus on public markets and subsidised or revolving credit mechanisms for small farmers has not been specifically addressed by the plan, but has potential for rural development and promoting food and nutrition security.

3.5 POTENTIAL FOR STRUCTURING MICRO-PROCESSING UNITS

As demand for grain increases in Angónia, there is potential for investment in the structuring of value chains. This process has the potential to act as a catalyst for agricultural production and add value to agricultural products; it has been considered by the FAO, initially under the Value Chains programme and, later, under the Millennium Development Goals programme (MDG1c). Forums such as Tilimbique or Chirigzano, which already have quality control and post-harvest equipment available, could be structured as agricultural processing units, to increase the likelihood of consumption of these products, improve the quality of the final product and add value to it. Another ongoing process has been the creation of a seed processing plant, which would address the lack of quality genetic material adapted to local conditions. The Tilimbique Forum was initially directed by the SDAE to specialise in the production and processing of these seeds.²¹

4 CHALLENGES AND POTENTIAL OF PURCHASING MODALITIES AND CONTRACTS

Different purchasing modalities have been tested by PAA Africa, PRONAE and P4P pilot initiatives. Models more closely suited to the reality in Mozambique may contribute to the consolidation of a national strategy for local purchases. Pilot experiences have yielded results that must be taken into consideration in future actions and discussions about the normative frameworks behind them. This section discusses some of these results, based on the case study of districts visited in 2014 and 2015. Four purchasing modalities were prioritised and will be discussed below: i) tenders based on the procedures regulated by Decree No. 15/2010 (standard bidding processes); ii) direct purchase from producer associations; iii) tenders with simplified awarding procedures; and iv) forward purchase contracts.

In Brazil, institutional purchasing rules initially prevented small producers from participating; the PAA enabled: i) the setting of reference prices for family farming, compatible with those of regional markets; and (ii) the purchase of products without the need for a tender (bidding process), up to a certain (institutionally defined) amount per family. The programme also includes informal producers, thus ensuring the effective participation of the most vulnerable groups. The objective is to overcome the vicious cycle characterised by low income generation and low production in family farming.

4.1 PERSISTENT CHALLENGES IN THE 'STANDARD TENDER' MODALITY: THE CASE OF NAMPULA

PRONAE's primary purchasing modality was the public tender, in accordance with normative instruments in effect in Mozambique. Public purchases were regulated and reorganised by Decree No. 15/2010, which applies to all state agencies and institutions. The decree provides for three different purchasing frameworks: i) the general regime; ii) the special regime, applicable to contracts under international agreements; and iii) the exceptional regime, proposed by the Executing Agency for Acquisitions (UGEA), with prior qualification, limited, in two stages, or direct adjustment.²² PRONAE prioritised the tender modality with the direct adjustment mechanism, so as to simplify the food purchasing process for schools and district authorities.²³ However, eligibility was limited to natural or legal persons with legal, economic, technical and financial qualifications, in good fiscal standing (in this case, a permit/single registration, NUIT, identity card, association licence etc.).

The pilot experiments have shown that the use of a bidding tender without active coordination with agricultural services and local producer associations has made it more difficult for them to enter institutional markets, including schools. This was concluded by the evaluation report for PRONAE's pilot phase (Fret and Pinto 2016).

The tender prioritises the lowest price criterion when awarding contracts to suppliers. The use of this criterion, coupled with low access to information about the tenders and the difficulties in legalising producer associations for tendering purposes ultimately curtailed the participation of local farmers. In the P4P programme, the tender modality was used only when purchasing products from organisations/cooperatives with larger capacities or from small and medium-sized traders, and not for purchasing food from small associations, as done by PRONAE.

Missions carried out in the district of Ribáuè (in Nampula province) in 2014 show that city merchants tend to be prioritised over small local producers in tenders. Traders (intermediaries)

offered better price and transportation conditions but, in most cases, did not purchase products locally. Producer associations rarely have their own means of transport, which would increase final marketing costs. Information about tender processes is not disseminated effectively, despite the use of community radios. The PRONAE evaluation report confirms this conclusion, showing that in most cases where the tenders were used without active integration with the agricultural sector (for the purposes of obtaining licences and NUIT, and identifying and empowering associations), small producers were excluded from the purchase process because they were not considered eligible. As a result, the regulatory framework in effect did not favour local products, particularly regarding the production and organisation capacities of small farmers, as well as the need for scheduled deliveries.

A few representatives of the central government believe that to ensure competition, small producers should, *a priori*, achieve quality standards and competitive means of production. The value added by PAA Africa, in this context, is demonstrating the possibility of a gradual entry of farmers into the formal market and the gradual achievement of the expected production and quality standards, through stable market access and technical support in production and marketing. The opportunities presented by the direct adjustment and the priority assigned to local purchases by the Ministry of Industry and Trade did not in themselves guarantee the participation of farmers in tenders. Practically all the stakeholders consulted agree on the need for a regulatory framework better suited to purchasing from small farmers. This issue was reiterated during the exchange of experiences between PRONAE and PAA Africa in the city of Tete in November 2015 and in PAA Africa technical group meetings.

In this context, a few aspects could be considered as complements to purchase decisions:

- i) the category of small local farmers,²⁴ to the detriment of traders or large producers;
- ii) the distance between producer associations and schools;
- iii) a minimum percentage of funds set aside for purchasing from small local producers;
- iv) regulations on the fractioning of the direct adjustment mechanism for public purchases in excess of MZN87,500;
- v) the tailoring of tender rules to local contexts, to include reference prices;
- vi) exemption from considering three quotes and requiring invoices and receipts for transactions up to MZN10,000; or
- (vii) exemption of invoices and receipts from producers, in the case of invoices and receipts in the amount of up to 30 percent of the total allocated for foodstuffs in each tranche. It should be noted that this regulatory framework is under review; a new version of the Regulations for Contracting Public Works, and Supplying Goods and Services to the State is set to be approved. The new draft attempts to simplify the direct adjustment mechanism, but does not include the factors necessary for the integration of small producers.

4.2 CHALLENGES OF INTEGRATING THE AGRICULTURAL CALENDAR INTO THE DIRECT PURCHASING MODALITY: THE CASE OF ANGÓNIA

In the district of Angónia (Tete province), PAA Africa supported 20 producer associations by strengthening their capacities to market cereals, supplying equipment and laying out infrastructure to reduce post-harvest losses. Purchases from these associations were made through direct purchase contracts, which involve entering into purchase agreements with farmer associations without the tender mechanism (i.e. no bidding process). The same purchasing modality was used in the P4P programme, but while the P4P supported small and medium traders and larger-scale farmers' associations (forums), PAA Africa focused on smaller associations (see Figure 2), which could potentially increase the impact of purchases on households.²⁵ However, despite ensuring greater security and precision *vis-à-vis* the

quantity and quality of the final product, the direct purchasing modality faced significant challenges due to delays in the purchase schedule, with negative impacts for producers.

On the one hand, approaching producers after harvesting may not be a viable strategy, as they try to sell their products quickly because of capital constraints and to prepare for the next growing season. In Angónia, there are other traders and intermediaries who pay cash upon purchase, but often at non-remunerative prices when compared to WFP contracts. On the other hand, approaching producers and signing contracts before the beginning of the growing (or harvesting) season increases farmers' ability to plan their production, given the subsequent market assurance. However, delays when entering into contracts or purchasing may cause the reverse effect of breaking that marketing cycle.

There were major delays in signing contracts in Angónia, in 2015, due to institutional difficulties within the WFP. Most producers initially waited to sell the amounts agreed. Later, producers with the greatest cash restrictions sold some of their products to other intermediaries, but, in many cases, at prices lower than at the local market. The contracts were only signed in late October 2015, and only with producers who had stored their products. As a result, the purchase amounts initially planned for Mozambique were not achieved. Most of the maize purchase contracts were cancelled due to delays at the WFP national office.

Negotiations with maize producers, for example, should be concluded by March of each year, and products should be delivered by June or July, considering the agricultural calendar and the long payment procedures at the WFP. The risk of delays can have an inverse impact on the objectives of the initiative, which means that this type of purchase is probably unsuitable for consolidating institutional markets. Several factors can delay contract negotiations and the actual purchases,²⁶ so a strategy should be put in place to minimise such risks.

4.3 POSITIVE RESULTS OF THE 'SIMPLIFIED TENDER' MODALITY: THE CASE OF CHANGARA AND CAHORA BASSA

The WFP supported school feeding in 175 primary schools in Changara and Cahora Bassa. The initiative has strengthened the management capacities of local governments, particularly in terms of storage infrastructure and food preparation. PAA Africa sought to diversify menus and link local agricultural support to local food purchases. The PRONAE pilot initiative provided support to one primary school in each district (Changara-Sede and Chinhanda) to formulate diverse and nutritious menus, as well as by training cooks and managers. However, PRONAE did not incorporate the supply side, as it failed to include agricultural support within its scope. PAA Africa has ensured closer and more direct integration among schools, agrarian services and producer associations, by supporting the agricultural component of institutional purchasing and encouraging coordination between agriculture and education at the district level.

Despite the semi-arid conditions in Changara and Cahora Bassa, products supplied by associations supported by PAA Africa proved adequate for consumption in schools. Many producers even mentioned the possibility of increasing the number of schools within the programme and including additional food products, since product supply remained well above consumption needs. As such, in the context of PAA Africa, local purchases of vegetables were expanded in 2015 to 26 schools in the Transition Programme supported by the WFP (14 in Cahora Bassa and 12 in Changara); the goal was to diversify diets in even more schools. Some of the management and purchasing aspects are summarised below:

Close coordination between district services in agriculture and education

PAA Africa participated in identifying and selecting two associations in each district with the productive potential to meet the demand of schools, and established a channel for interaction among pilot schools, local authorities and producer associations. Without active coordination work between the agricultural and educational sectors, access to institutional markets by local producers remains minimal, as in the case of Nampula, discussed earlier (and as emphasised in PRONAE's pilot evaluation report). In addition to this initial work, the programme supported the formalisation of associations and the training of their members—through the public rural extension network—in production-related topics, post-harvest handling and trade. Information on purchases is disseminated through the agriculture extension network in coordination with the schools.

Simplified requirements and pre-selection of suppliers with productive potential

Pilot experiments have shown that the standard tender modality poses many challenges to the objectives of purchasing from family farming. Stringent banking/documentary requirements do not fit well with the characteristics of most of the country's small producers, who sell their products in informal and unstable markets. In this context, the tender mechanism for school feeding was slightly simplified and adapted to the local context in the district of Changara. The number of competing producers has been reduced and restricted to the small farmer associations previously identified and supported by the FAO/PAA Africa. In addition, the distance (between producers' associations and schools) factor was added to the price factor for the purposes of awarding contracts. The volume of purchases was broken down to suit local capacities. Management challenges persisted, however, regarding invoices issued by the associations and payment delays. Possible solutions to these limitations were discussed during an exchange of experiences held in Tete in November 2015, including a waiver of the three quotes requirement and of invoices and receipts for transactions up to MZN10,000.²⁷

Quarterly tenders based on local prices

In both Changara and Cahora Bassa, schools and district services consulted the prices charged by producer associations prior to launching tenders.²⁸ This can ensure a more accurate forecast of the resources needed and a response better suited to the capacities of local associations. In terms of contract duration, Changara's experience ultimately proved more successful, as it featured quarterly tenders—instead of monthly tenders, as in the case of Cahora Bassa. The latter case imposes a series of bureaucratic constraints and requires more human resources, which is hardly justified given the nature of the purchase.

Limits on quality control

Controlling the quality of products received is still a challenge, but this is largely due to contracts delays, especially in Cahora Bassa. The associations produced the quantities set by the schools, but were unable to deliver fresh products within the deadline, due to management delays in district services. In this sense, a system must be put in place to improve the delivery of the perishables for later payment, to avoid the loss of vegetables or products delivered with low quality standards. Product quality can also be checked before delivery, when quotes are received. In Brazil, fresh products and products of plant origin do not need to undergo a laboratory assessment, but they must pass acceptability tests.²⁹

Adopted standards should be adjusted to local contexts. The requirement that cereals used in schools be fortified reduces the possibility of purchasing maize in the districts of Changara and Cahora Bassa, given the low capacity of the mills in these districts to fortify grains. On the one hand, the Ministry of Commerce can support capacity-building in maize

fortification in these districts through its National Committee for Food Fortification of Mozambique (CONFAN). Another possibility is to fortify cereals in the city of Tete, but this would increase production logistics and delivery costs for producers. On the other hand, the inclusion of non-fortified maize as a complement could also be an alternative. Finally, the integration of small local intermediaries in the chain can also be a way of ensuring fortification and the quality of products delivered to schools.

Gradual decentralisation of management and purchasing

PRONAE's objective is to decentralise the management and purchasing of food to schools, thus affording greater autonomy to these activities. However, this process should occur after the alignment of administrative procedures and priorities between institutions in the educational sector and subsequent capacity-building offered in schools, especially UGEAs. In Cahora Bassa, such decentralisation overwhelmed the management capacities of schools and the established procedures.³⁰ In Changara, the District Education, Youth and Technology Services (SDEJT) centralised the management of the entire process; the objective was to decentralise gradually. The district also simplified its purchasing procedures and included quarterly contracts. The SDEJT, together with the SDAEs, split the beneficiary schools among the different associations supported by PAA Africa. Two additional producer associations not initially considered for PAA Africa were added to the purchasing process, due to their proximity to a number of beneficiary schools. There were differences in strategic vision; though the initiative worked in Changara, a few difficulties emerged in Cahora Bassa. Therefore, a combination of centralised and decentralised models, allowing for the gradual increase of schools' capacities, was more appropriate.³¹

Need to make menus more flexible

Menus are good indicators of the nutritional and monetary value of each meal, but they should be adapted to local (and seasonal) production potentials, to the ease of handling and preparing them in schools, and to eating habits,³² thus providing local stakeholders with greater autonomy to change the products and the quantities in their menus. Producer associations and associations from the agricultural sector should take part in planning activities and preparing the menus, jointly with the educational sector and school councils.³³

4.4 POTENTIAL OF THE FORWARD CONTRACT MODALITY

Forward and long-term contracts are a P4P purchase modality and could be favoured to ensure better production planning by the farmers and the eventual acquisition of credit for the growing season. Despite the long duration of this type of contract, deliveries of perishable products can be organised on a weekly basis, and payments can be made upon each delivery (as in the case of Changara). Risks of disruption to the delivery plan (due to low production or parallel sales) can be minimised by on-site monitoring and targeted training. Solutions should focus on shortening terms of payment (including full or partial payment on delivery, payment in kind, exemption from invoicing etc.). However, the national regulatory framework currently in place for public purchases constrains this modality. If this type of contract is not possible, another possibility would be to provide the purchasing institution (district or school) with a document prior to the beginning of production, guaranteeing purchased quantities and amounts, thus making credit more accessible to farmers.

Table 1 summarises the purchasing modalities considered in this section, as well as their challenges and potential for consolidating public food purchases from family farming in Mozambique.

TABLE 1

Local purchasing modalities for family farming

	Standard tender	Direct purchase	Simplified tender	Forward contract³⁴
Programme	PRONAE	P4P/PAA Africa	PAA Africa	P4P
Procedure	Public purchases regulated by Decree No. 15/2010 (direct adjustment mechanism based on the lowest price)	Purchase contracts awarded to forums (in the case of P4P) and to smaller associations (in the case of PAA Africa)	Public purchases regulated by Decree No. 15/2010 (direct adjustment mechanism based on local prices and pre-selected associations)	Purchase agreements signed prior to the growing season
Location	Ribáuè, Mossuril, Muecate, Rapale, Machaze, Massingir, Manjacaze, Macossa	Angónia	Changara, Cahora Bassa	-
Products	Diversified foods	Cereals	Diversified foods (horticultural)	Cereals
Prices	Awarded based on lowest price	Price negotiated by the associations and the WFP	Prior consultation of local prices	Price negotiated by the associations and the WFP
Frequency	Monthly tenders	Pre-agreement prior to the growing season	Monthly tenders (in Cahora Bassa) and quarterly tenders (in Changara)	Agreement signed prior to the growing season
Transport of products to schools	Transport provided by producer associations	Transport provided by the WFP—more specifically, by the producers' forum	Transport provided by producer associations	Transport provided by the WFP—more specifically, by the producers' forum
Potential	Formalisation and greater transparency of public food purchases	Increased capacity to plan production; greater safety and precision in the quantity and quality of the final product; more remunerative prices guaranteed	Increased capacity to plan production; greater coordination across sectors; respect for local prices	Increased capacity to plan production; greater access to credit; more remunerative prices guaranteed
Challenges	Insufficient adaptation to local conditions in case of weak coordination with the agricultural sector; difficulties in formalising associations; competition with larger traders and farmers; prices not always remunerative	Recurrent risk of purchase delays and subsequent rupturing of the trade cycle; difficulties in formalising associations; cost of logistics and quality analysis for purchases made by the WFP	Management challenges (issuance of invoices by associations, payment delays, quality control); difficulties in formalising associations	Risk of contract breach due to insufficient production or parallel sales; difficulties in formalising associations

Source: Author's elaboration.

Coordination—not just of a multisectoral nature, but across implementing institutions—had a direct impact on the results of the initiatives. PAA Africa has strongly contributed to integrating school feeding initiatives into the agricultural sector and, in doing so, has ensured the effectiveness of local purchasing and the diversification of production in Changara and Cahora Bassa. The FAO country office and the WFP provincial office played central roles in this case. However, shortcomings in maize purchases by the national WFP office in Angónia compromised some of the objectives of the initiative. There was also insufficient communication between provincial and district governments and schools to ensure a gradual decentralisation of the purchasing processes. Finally, interactions between international agencies and the central government proved insufficient, since the norms and procedures involved in purchasing from family farming had to be adapted. This was, however, a positive opportunity for dialogue between organisations that rarely work together on the ground, despite pursuing complementary agendas, such as the WFP and the FAO.

5 NEED TO ESTABLISH FINANCIAL MECHANISMS FOR OPERATION³⁵

A financial sustainability strategy will be required to consolidate the local purchasing strategy on a national level; sustainability stems from dialogue and institutional efforts. A few aspects were raised:

State budget

Institutional markets should be part of the state budget, even if expansion is expected to be gradual. The economic and social value of these initiatives will need to be demonstrated, as well as the results of pilot projects currently under way. School feeding must be included in broader sectoral discussions, such as social protection programmes and rural extension services. There is space in Mozambique for dialogue about the agricultural investment commitments undertaken with the signing of CAADP/NEPAD.

Cost evaluation and financial landscape

We need to know the costs involved in consolidating and expanding PAA Africa and analyse the financial landscape around the agricultural policy system in Mozambique to ascertain which mechanisms (and funds) can be used to consolidate local purchases (in terms of amounts of resources, flexibility of use and accessibility). A strategy for the generation, management and distribution of resources will also need to be developed and implemented. Programme ownership and expansion by the government will depend, among other factors, on the simplification of procedures and other aspects with the potential to increase implementation costs excessively. Geographical concentration, for example, is an issue that merits discussion. The purchase of large quantities of maize in surplus areas, such as Angónia, and its transport to deficit areas, such as Changara and Cahora Bassa, should be a complementary measure, and not the foundation of school feeding initiatives in these districts.

Consolidation of a national strategy and fundraising plan

Consolidation and dissemination of the national local food purchasing strategy is important in garnering support for specific projects or actions from public, international and private partners. Structured demand, proper management and well-conceived design are key to fundraising. The private sector in Mozambique is economically strong and could provide funds to the initiative, as well as a potential market for local producers. Integration should

also be encouraged with other national programmes focused on the agricultural market and supported by development partners, including non-governmental organisations.³⁶

6 FINAL CONSIDERATIONS

PAA Africa's pilot experiences in support of PRONAE provide localised lessons that can be used to inform strategy consolidation, although they do not cover all of the country's geographical and cultural diversity. These lessons have been discussed throughout the document, and some of them will be summarised here:

Multisectoral action as a joint process for building political agendas

A multisectoral approach is not limited to operational coordination decisions: it should be used as an instrument for improving coherence across national strategies and for setting political agendas. The process of achieving political coherence, building technical and financial capacities and integrating local purchases into government priorities and into the fiscal and economic dynamics of the country takes time and resources. The involvement of stakeholders at all levels (local, national and regional) and the ongoing evaluation of initiatives, as well as the creation of information dissemination and learning spaces, have contributed to strengthening the institutional food purchasing agenda in Mozambique.³⁷ PAA Africa has also contributed to inter-ministerial integration from an operational perspective, by supporting institutional empowerment and the capacity to integrate strategies.

Institutionalisation as a step in the consolidation of public policies

The institutionalisation of PRONAE was key, although insufficient in consolidating public purchases meant for school feeding. This should be accompanied by the insertion of the programme into the state budget, the development of management tools and implementation models adapted to the country's regional diversity and a discussion on regulatory mechanisms to ensure access to public purchases by small producers (e.g. changes to the tender process, such as limited tenders, advance contracts, quotas, exemption from tendering, direct payments or a regulatory framework created specifically for public food purchases from family farming).

Operational choices are key to tailoring initiatives to local contexts

The due appreciation of local skills and potential and an adequate spatial view of trade flows and of how families and infrastructure are distributed are complementary aspects to be considered when expanding and adapting the initiatives. The use of adaptive purchasing and management models had a great impact on the programme's results. The choice to simplify procedures—by taking into account local prices, the challenges faced by small producers *vis-à-vis* organisation, documentation and transport, as well as the capacity of district institutions to buy fresh food—was more effective in achieving the programme's objectives. Operational choices include selecting an appropriate arrangement for ensuring coordination among the institutions tasked with implementation—a major challenge for the initiative.

Demand for food products must be aligned with the potential supply

Support for production, post-harvest handling and trade was key to ensuring quality products throughout the school year. The involvement of district-level agricultural services in training and planning activities also strengthened the government from a technical and institutional standpoint. School menus should heed nutritional concerns, but they must also be flexible; managers should have the autonomy to make substitutions with seasonal products when needed.

Social participation and advocacy are also relevant to this process

Technical groups are a way of promoting inclusion and follow-up. Both of these actions require continuous (i.e. not *ad hoc*) efforts to disseminate information, bolster participation and ramp up their effectiveness. There are different ways to get civil society organisations engaged, ranging from political coordination to direct support when executing activities. This decision should be based on the expectations and capacities of the organisations themselves. It should also be noted that the ministerial changes of 2015 gave rise to renewed interest in public policies for family farming; institutional food markets emerged as a possible way of promoting this agenda.

On their own, short-term initiatives will hardly be enough to produce the desired effects in terms of policy change and consolidation of national school feeding programmes based on local purchases from family farming. These include initiatives focused on developing broader frameworks for programmes without, however, adapting operational models—such as PRONAE—or on developing operational models adapted to the local context, as in the case of PAA Africa in support of PRONAE. However, analyses show that, despite limitations in scale and time, pilot purchase initiatives can have an enormous demonstrative potential and provide a significant foundation for development, knowledge and socio-political interaction which will be useful for the consolidation of a broader strategy.

REFERENCES

- Bundy, D. et al. 2009. *Rethinking School Feeding: Social Safety Nets, Child Development and the Education Sector*. Washington, DC: World Bank.
- Costa Leite, I., B. Suyama, and M. Pomeroy. 2013. "Africa-Brazil Co-Operation in Social Protection: Drivers, Lessons and Shifts in the Engagement of the Brazilian Ministry of Social Development." *WIDER Working Paper* 2013/022. Helsinki: United Nations University World Institute for Development Economics Research.
- EMBRAPA. 2015. *Tecnologias da Embrapa em apoio ao PAA Africa: Segurança Alimentar e Nutricional no Âmbito da UNASUL e África*. Projeto CNPq Chamada No. 82/2013. Brasília: Empresa Brasileira de Pesquisa Agropecuária.
- FAO. 2014. *Minuta do Encontro com as Organizações da Sociedade Civil*. Maputo: Food and Agriculture Organization of the United Nations.
- Fret and Pinto. 2016. *Avaliação externa: Programa Nacional da Alimentação Escolar (PRONAE), projecto piloto em 12 escolas primárias das províncias de Tete, Nampula, Manica e Gaza*. Maputo: World Food Programme.
- Governo de Moçambique. 2007. *Estratégia de Segurança Alimentar e Nutricional (ESAN II) 2008–2015*. Maputo: Secretariado Técnico de Segurança Alimentar e Nutricional.
- Governo de Moçambique. 2010a. *Estratégia Nacional de Segurança Social Básica (ENSSB 2010-2014)*. Maputo: Governo de Moçambique.
- Governo de Moçambique. 2010b. *Plano de Acção Multissetorial para a Redução da Desnutrição Crónica (PAMRDC 2011-2014)*. Maputo: Governo de Moçambique.
- Governo de Moçambique. 2010c. *Regulamento de Contratação de Empreitada de Obras Públicas, Fornecimento de Bens e Prestação de Serviços ao Estado. Decreto 15 de 24 de maio de 2010*. Maputo: Conselho de Ministros.

- Governo de Moçambique. 2011a. *Plano de Acção para Redução da Pobreza (PARP 2011–2014)*. Maputo: Conselho de Ministros.
- Governo de Moçambique. 2011b. *Plano Estratégico para o Desenvolvimento do Sector Agrário (PEDSA 2011–2020)*. Maputo: Conselho de Ministros.
- Governo de Moçambique. 2011c. *Programa Nacional de Fortificação de Alimentos (2011–2015)*. Maputo: Governo de Moçambique.
- Governo de Moçambique. 2015a. *Programa Nacional da Alimentação Escolar*. Maputo: Ministério da Educação.
- Governo de Moçambique. 2015b. *Documento para Orientação da Integração das Prioridades de Segurança Alimentar e Nutricional no Programa Quinquenal do Governo (PQG, 2015–2019)*. Maputo: Governo de Moçambique.
- Governo de Moçambique. 2015c. *Relatório da Missão Conjunta Brasil/FAO sobre o Intercâmbio de Experiências e Diálogo de Políticas Públicas para Agricultura Familiar*. Maputo: Ministério da Agricultura e Segurança Alimentar.
- Governo de Moçambique. 2017 (forthcoming). *Regulamento de Contratação de Empreitada de Obras Públicas, Fornecimento de Bens e Prestação de Serviços ao Estado*. Maputo: Ministério das Finanças.
- Instituto Nacional de Estatística de Moçambique. *Censo agropecuário 2010*. Maputo: Instituto Nacional de Estatística.
- Milhorance, C. 2014a. *Contribuições para a participação social no Programa PAA Africa em Moçambique*. Maputo: Food and Agriculture Organization of the United Nations.
- Milhorance, C. 2014b. *Subsídios para formulação de uma estratégia de mercados institucionais para a agricultura familiar em Moçambique*. Maputo: Food and Agriculture Organization of the United Nations.
- Milhorance, C. 2016. *Relatório do Encontro de Troca de Experiências Sobre Compras Locais Governamentais: boas práticas e sinergias entre o PRONAE e o PAA África*. Maputo: Food and Agriculture Organization of the United Nations/World Food Programme.
- Milhorance, C., and M. Bursztyn. 2017. "South–South Civil Society Partnerships: Renewed Ties of Political Contention and Policy Building." *Development Policy Review*, January.
- PAA Africa. 2013. *PAA Africa Knowledge Sharing Workshop in Dakar*. Rome: World Food Programme.
- PAA Africa. 2014. *Local food purchase from family farmers to fight hunger: African governments reaffirm their commitment*. Rome: World Food Programme.
- PAA Africa. 2015. *Local food purchase from family farmers to fight hunger is the theme of a workshop between Mozambique and Malawi*. Rome: World Food Programme.
- Pierri, F. 2013. "How Brazil's Agrarian Dynamics Shape Development Cooperation in Africa." *IDS Bulletin* 44(4). <<http://opendocs.ids.ac.uk/opendocs/handle/123456789/2614>>. Accessed 4 October 2017.
- Silva, J.G. da, M.E. Del Grossi, C.G. de França, and L.M. Vasconcelos. 2011. *The Fome Zero (Zero Hunger) Program: The Brazilian Experience*. Brasília: Ministério do Desenvolvimento Agrário.
- WFP. 2012. *P4P Purchase for Progress: A Primer*. Rome: World Food Programme/P4P Coordination Unit. <<http://documents.wfp.org/stellent/groups/public/documents/reports/wfp245374.pdf>>. Accessed 4 October 2017.

NOTES

2. This methodology hinges on a participatory approach to training and the dissemination of agricultural technologies, and is aimed at small groups of peasants (20 to 30 individuals) and based on the concept of sharing knowledge between the trained and the untrained. This is an adult education and extension methodology that focuses on experimenting with new practices that address the challenges reported by the farmers themselves, covering the entire crop cycle.

3. These include Agenda 2025, the Rural Development Strategy (EDR, 2007), the Green Revolution Strategy, the Action Plan for Agricultural Production (PAPA, 2008–2011), the Programme to Support the Intensification and Diversification of Agriculture and Livestock Husbandry (IDAP, 2008) and other intra-sectoral plans leading up to the Strategic Plan for Agricultural Development (PEDSA, 2009). The National Investment Plan for the Agricultural Sector (PNISA) is the guiding component of PEDSA investments.

4. According to the Mozambican agricultural census, small farmers are classified as such depending on cultivated area (up to 10 hectares of land cultivated with permanent or annual crops or up to 5 hectares with irrigated crops) and the number of goats and cattle they own (fewer than 10 head of cattle or fewer than 50 small ruminants and pigs or fewer than 2000 birds). Small farmers account for 99 percent of agricultural holdings in the country (INE 2011).

5. Report from the Joint FAO/Brazil Mission about the Exchange of Experiences and Public Policy Dialogue on Family Agriculture.

6. For example, in October 2014, PAA Africa was introduced to the PAMRDC provincial technical team, under province-level SETSAN. In September 2015, representatives from the central and provincial governments, civil society and the United Nations took part in a meeting to strengthen coordination mechanisms for actions in agriculture and school feeding.

7. Meeting once or twice a year, this group would include representatives of the technical group and the directors of every institution represented in the group. In this sense, the need to use existing structures (as opposed to creating new ones) became clear. During the ministerial reform of 2015, a proposal was made to elevate SETSAN within the administration's government structure, making it an institute that reports directly to the Office of the President of the Republic. However, representatives consulted raised doubts about SESTAN's institutional capacity, given the means and the mandate of the future institute.

8. See FAO (2014).

9. Both UNAC and ORAM are nationwide organisations with a strong focus on upholding the rights of small farmers.

10. Several authors agree that programmes such as the PAA and the National System of Food and Nutrition Security in Brazil were built and consolidated with the broad support of civil society organisations (Costa Leite, Suyama, and Pomeroy 2013; Pierri 2013; Silva et al. 2011).

11. See Milhorance (2014a).

12. For more information about civil society involvement in Brazilian cooperation initiatives, see Milhorance and Bursztyn (2017).

13. See FAO (2014).

14. See PAA Africa (2013).

15. See PAA Africa (2014).

16. See PAA Africa (2015).

17. See Milhorance (2016).

18. See external evaluation: Fret and Pinto. 2016. National School Feeding Programme (PRONAE), pilot project in 12 primary schools of the Tete, Nampula, Manica and Gaza provinces.

19. In a few schools in Changara district, international organisations such as UNICEF have been supporting the construction of cisterns to collect rainwater. This will meet the consumption needs of students and teachers, as well as school gardens. This experience could be multiplied in the region and include the district of Cahora Bassa, which faces even greater water resource constraints.

20. As in other organisations supporting farmers (Clusa, Olipa, Adem, Oram, UPCT etc.), documents were collected and transported by the field monitors.

21. Another initiative that could add value and facilitate the marketing process by small farmers would be the voucher mechanism, implemented by the MDG1c/FAO programme. The initiative aims to increase the use of agricultural inputs (improved seeds and fertilisers) and develop local capacity to distribute and sell these inputs by empowering a network of small distributors. Due to the limited coverage of financial institutions, an electronic voucher was created for financial transactions aimed at providing inputs to farmers (with a 50 percent counterpart paid by emerging farmers and no counterpart payment required of subsistence farmers).

22. PRONAE uses the direct adjustment modality when suppliers are limited or whenever the estimated amount is less than MZN87,500 for goods and services; at least three quotes must be considered, to demonstrate that the choice

of supplier and price was justified. Fractioning the estimated purchase amount in order to use the direct adjustment modality is not allowed—i.e. purchases in excess of MZN87,500 may not use this simplified mechanism. UGEA is tasked with the management and execution of the purchase process at all stages, as well as the performance of contract.

23. Decree No. 5/2012, approved in March 2012, consolidates the simplified licensing regime (approved by Decree No. 2/2008) to cover more types of economic activities, harmonise procedures and applicable taxes, etc. 'One-stop shops' (*Balcões de Atendimento Único*—BAUs) are tasked with processing and issuing simplified licences. In locations with no BAUs, this responsibility falls on the municipal councils and the district governments.

24. The work involved in categorising family farmers in Mozambique was carried out by SETSAN and could contribute to this legal and institutional review process, within the scope of the local purchasing strategy.

25. Difficulties in legalisation, tax registration and opening bank accounts faced by smaller associations had already been detected during the first phase of the programme. According to WFP data, only 6.5 percent of small farmers in Mozambique are organised into associations (WFP 2012).

26. In addition to institutional factors, there was an impasse in price negotiations. Cereal purchases by P4P and PAA Africa demand high quality standards, which producers do not necessarily meet when selling directly to intermediaries. As such, the prices offered by buyers—slightly higher than regional market prices (as stated in the *Quente-Quente Bulletin*)—were deemed inadequate by producers at the negotiating table.

27. See Milhorance (2016).

28. Price is a sensitive issue. Cereal prices are fixed based on Sima reports (*Quente-Quente*); in the case of horticultural crops, weekly prices are considered. The objective is to avoid inflating local markets.

29. These are summarised in the *Manual for the application of acceptability tests in the National School Feeding Programme—Pnae (Manual para aplicação dos testes de aceitabilidade no Programa Nacional de Alimentação Escolar—Pnae)*.

30. Monthly tenders, comprehensive documentation, accountability with no integrated or simplified standard. UGEA managers were not given sufficient information or training.

31. Certain issues about school feeding management at the local level were essential to the implementation of the pilot initiatives, but they will not be detailed in this report. For more information, see PRONAE's pilot phase evaluation report (Fret and Pinto 2016). According to the authors, the lack of results-oriented management during the pilot phase partly explains the programme's negative results. Management failures include: structural delays at the beginning of the school year due to internal bureaucratic procedures; lack of a proper understanding of the procedures and objectives of the pilot phase; transfers conditional on full rendering of accounts in 2014, which led to a complete shutdown of school feeding after two or three months; and the lack of an effective monitoring system.

32. For example, delays in launching tenders make using cabbage unfeasible. Instead of forcing producers to supply a given product (which will either be of lower quality or bought in other areas), the product should be replaced by products that can be sourced locally.

33. Menus can be discussed and validated by school community councils, as part of a long-term initiative to revisit and use local recipes.

34. This contract modality was not evaluated in the field, since it is not used by PAA Africa or PRONAE. It is presented here in a broader sense and as a potential modality to be tested with school feeding.

35. This section has been adapted from Milhorance (2014b).

36. Agendas such as nutrition, community development or even climate change (by means of climate-smart agriculture and other concepts) can be brought into the funding strategy.

37. In practical terms, coordination, liaison and social participation objectives should be specifically defined (in terms of reference) and concretely undertaken by stakeholders in support of this initiative (actively but not normatively). Alternative markets for small producers should also be explored together alongside other national institutions.



International Policy Centre for Inclusive Growth (IPC-IG)

SBS, Quadra 1, Bloco J, Ed. BNDES, 13º andar
70076-900 Brasília, DF - Brazil
Telephone: +55 61 2105 5000

ipc@ipc-undp.org • www.ipc-undp.org

ISBN 978-92-5-130473-0



9 789251 304730

I9024EN/1/05.18