USAID AGRIFUTURO PROGRAM MOZAMBIQUE AGRIBUSINESS COMPETIVENESS WORK PLAN

OCTOBER 2010 – SEPTEMBER 2011

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ACRONYMS

ACIANA	Associação Comercial Industrial e Agrícola de Nampula
ACIS	Associação Comercial e Industrial de Sofala
ADAMA	Associação Distrital dos Agricultores de Manica
ADIPSA	Apoio as Iniciativas Privadas do Sector Agrário
ADEM	Agência de Desenvolvimento Económico de Manica
ADRA	Agência Adventista de Desenvolvimento e Recursos Assistenciais
AgCLIR	Agricultural Commercial Law and Institutional Reform
AGRA	Alliance for a Green Revolution in Africa
AMPCM	Associação Moçambicana para a Promoção do Cooperativismo Moderno
ASC	Agribusiness Service Cluster
ATC	Agribusiness Trade & Competitiveness
BAGC	Beira Agriculture Growth Corridor
BDS	Business Development Services
BDSD	Business Development Services (Component) Director
BOM	Banco de Oportunidade de Moçambique
CEPAGRI	Centro de Promoção de Agricultura
CIMPAN	Companhia Industrial de Panifição de Nampula
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CTA	Confederation of Business Associations
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
DSV	Departamento de Sanidade Vegetal

EED	Enabling Environment (Component) Director
EU	European Union
FIDG	Forestry Industrial Development Group
FNB	First National Bank
FOSC	Farmer-Owned Service Center
GDP	Gross Domestic Product
GoM	Government of the Republic of Mozambique
GTZ	German Technical Cooperation
HACCP	Hazard Analysis and Critical Control Points
IEE	Initial Environment Examination
IFC	International Finance Corporation
IFLOMA	Industria Florestal de Manica
IIAM	Instituto de Investigacao Agrário de Moçambique
IKURU	A farmer-owned company in Nampula
IMF	International Monetary Fund
INCAJU	Instituto de Fomento do Cajú
IPEX	**Instituto de Promoção de Exportações**
IQC	Indefinite Quantity Contract
ISPM	International Standards for Phytosanitary Measures
ITC	Iniciativa de Terras Comunitárias
LGF	Loan Guarantee Fund
MAP	Molócuè Agro Processamento
MCC	Millennium Challenge Corporation
MIC	Ministry of Industry and Commerce
MINAG	Ministry of Agriculture
MOFLOR	Moçambique Floresta

MOU Memorandum of Understanding

MT Metric Ton

MYAP Multi-Year Assistance Program

NPCM Núcleo de Promoção de Cooperativismo Moderno

OXFAM/NOVIB Dutch organization for International Aid

PAC Program Advisory Committee

PEDSA Strategic Plan for Development of the Agricultural Sector (Plano Estratégico de Desenvolvimento do Sector Agrário)

PIVA Partner Institutional Viability Assessment

PRISE Promoting Rural Investment in Smallholder Enterprises

PERSUAP Pesticide Evaluation Report and Safe Use Action Plan

PROMER Programa de Promoção Mercados Rurais

RAISE PLUS Rural and Agricultural Incomes with a Sustainable Environment

RDI Research Development Implementation

SADC Southern African Development Community

SMEs Small and Medium Enterprises

SNS Serviço Nacional de Sementes

SNV Dutch International Development Organization

SPEED Support Program for Economic and Enterprise Development

SPS Sanitary and Phytosanitary Standards

STTA Short-term Technical Assistance

TA Technical Assistance

TIP Trade and Investment Project

TLC Total Land Care

ToR Terms of Reference

UCASN União dos Camponeses do Sul de Niassa

UCODIN	Coordination Unit for Integrated Development of Nampula
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
VC	Value Chain
VCA	Value Chain Association
VCL	Value Chain Leader

1. INTRODUCTION

This Work Plan covers the period October 1, 2010 through September 30, 2011. As with the previous Work Plan, this plan provides a guide to help coordinate and integrate project activities across various components, but it is not a detailed or stagnant implementation manual. Rather, implementation of the Work Plan must be flexible to allow shifts in emphasis and prioritization as opportunities arise and as challenges dissipate.

1.1 PROJECT BACKGROUND

On May 1, 2009, the United States Agency for International Development in Mozambique (USAID/Mozambique) awarded Abt Associates Inc. a Task Order to implement the Agribusiness Trade and Competitiveness (ATC) Program. The Task Order was procured under the Rural and Agricultural Incomes with a Sustainable Environment (RAISE PLUS) Indefinite Quantity Contract (IQC) and is a Cost-Plus-Fixed-Fee (CPFF) Completion Form contract. The Task Order is currently scheduled to end on February 27, 2013, although it is anticipated that USAID will extend the Task Order though April 30, 2014, making it a full five-year activity, the maximum allowed under the RAISE PLUS Master Contract.

Shortly after project start-up, USAID and Abt Associates agreed to change the name of the project to the "USAID AgriFUTURO Program" – with the accompanying the tagline being "Agribusiness Competitiveness."

1.2 PROJECT OBJECTIVE AND STATEMENT OF WORK

The purpose of USAID AgriFUTURO is to increase Mozambique's private sector competitiveness by strengthening targeted agricultural value chains. The project focuses on value chain development as a means of creating incentives to improve the enabling environment, expand and strengthen business development services, build linkages between agribusinesses and financial services providers, and increase and strengthen public/private partnerships. USAID AgriFUTURO will leverage innovations and improvements in specific value chains to improve the competitiveness of Mozambican agribusiness in general, and to bring about change in the country's overall business environment.

USAID AgriFUTURO supports USAID's five year (2004-2010) Strategic Objective of "Broad-based rapid economic growth sustained through expanded capacities and opportunities" and is part of the Mission's Rural Income Program.

Abt Associates focuses project assistance on a target group of high-potential agricultural value chains: fruits (bananas, pineapples, and mangos); oilseeds and grains (maize, soybeans, sesame, and groundnuts); cashews; and, forestry. The project is comprised of four components:

- Improve the Enabling Environment for Agribusinesses;
- Expand and Strengthen Agribusiness Development Services;
- Build Linkages to Financing Services for Agribusiness Development; and,
- Increase and Strengthen Public-Private Partnerships.

Each component is comprised of specific activities and plans of action, as described further in this work plan.

The geographic focus area for USAID AgriFUTURO is along the Beira and Nacala development corridors in central and northern Mozambique, regions that have a strong agricultural production potential. These corridors posses the climate and soil that are ideal for the growth of a wide variety of crops, and they are close to ports and have the appropriate population density to support a broad agricultural economy. The region has also benefited from previous USAID investments and offers synergies with other Mission portfolio activities.

The project's main office is located in the country's capital city of Maputo, with satellite offices in Chimoio (Beira Corridor) and Nampula (Nacala Corridor).

1.3 BRIEF DISCUSSION OF AGRIFUTURO CONTEXT

Mozambique has the potential to produce a virtual supermarket of high-value and niche-market crops that are in high demand in the income-rich markets of Europe, the Middle East, Asia, and Southern Africa. Nonetheless, Mozambique remains one of the poorest countries in the world, with an average income per capita estimated at $900 in 2009, and 54.7% of its population is impoverished. Although poverty has decreased over the last decade, the IMF estimates that the decline has slowed and that inequality is increasing.

At the same time, Mozambique has experienced some of the highest sustainable economic growth rates in sub-Saharan Africa. During the years 1992 to 2006, economic growth averaged close to 8% per year. Between 2007 and 2008, growth began to slow slightly, with GDP growth averaging a still respectable 7%. The global economic crisis has begun to affect Mozambique's growth; according to the last statistics from the US Department of State- Bureau of African Affairs, the growth rate was 4.5% in 2009.

1.3.1 MOZAMBIQUE'S AGRICULTURAL SECTOR

Agriculture accounted for 21% of GDP in 2009 and supports close to 80% of the country's total population and over 90% of the rural population. Mozambique has tremendous potential to produce highly productive and globally competitive agricultural products, including food and cash crops, livestock, and forest products, from both smallholder farms and large-scale commercial farms. Nearly every rural household relies on agriculture as the primary source of livelihood. Indeed, the 2007 Labor Force Survey found that agriculture accounts for 75% of total employment in Mozambique, and 87% of economically active women.

The sector, however, is comprised largely of subsistence farming characterized by low-yielding production techniques and limited use of modern technologies. It is estimated that virtually all (99.5%) of agricultural enterprises are small family farms, producing traditional crops with traditional cultivation techniques (annual Agricultural Surveys). Very few modern production technologies have been developed and disseminated by either the public or private sectors. Input markets are small and segmented, and most smallholders have little or no access to the diversity of inputs available. Very few use modern seeds, inorganic fertilizer, pesticides, herbicides, animal or mechanical traction, or irrigation. Rural populations are also highly dispersed, decreasing opportunities for collaboration while increasing transactions and other costs related to market access.

In 2007, agriculture accounted for 11% of total export earnings. The sector's contribution to the country's economy has declined over the past decade, indicating that the importance of the sector is decreasing. This is contradicted, however, by the fact that such a large proportion of the population relies on agriculture as its primary means of livelihood. The decrease in the relative share of agriculture is a result of the dramatic increase in value of mega-projects, particularly in extractive mining industries, and the growing diversification of the economy.

However, the sector should and could be a strong magnet for domestic and foreign investment. Indeed, investors recognize the potential of the sector, and have expressed interest in investing agricultural enterprises in the country. Nonetheless, Mozambique has a weak record of attracting major investments in agriculture and agro-industry. Commercial farming has a limited role, especially relative to the amount of smallholder production. Investment has been limited primarily due to the perceived high costs of doing business in the country, lack of infrastructure (including access to water and power supplies, roads, and transportation), complicated land use rights, low labor productivity, and lack of available credit and other financial services.

The USAID AgriFUTURO program is designed to reduce these constraints to increased investments in the agricultural sector and increased productivity. The project is working to improve the enabling business

environment and availability of financial services in order to facilitate investment flows. The project also works to improve the availability of and access to agribusiness development services, expand the use of modern production and processing technologies to improve production quantities and quality, and strengthen and expand market linkages.

1.3.2 COORDINATING WITH THE USAID/MOZAMBIQUE PROGRAM

USAID/Mozambique's current programs build on a legacy of investments dating back to the 1980s when relief and development efforts helped maintain a minimum quality of life for thousands of displaced persons who fled the country's war-ravaged countryside to live outside major cities. Presently there are several somewhat similar projects being implemented within the areas targeted by AgriFUTURO. To avoid overlapping or duplication of efforts and funds, AgriFUTURO has approached these projects to jointly define areas of intervention to complement each other, thus taking advantage of the synergies generated by them. This is a process that includes coordination and discussion when specific issues arise. AgriFUTURO has provided detail on how it will coordinate and support other USAID activities in Mozambique in previous reports and the Year One Work Plan, so below we simply list those projects and activities for reference:

- Food for Peace Title II Multi-Year Assistance Programs (MYAPs);
- Trade and Investment Project (TIP);
- Support Program for Economic and Enterprise Development (SPEED); and,
- Strengthening Communities through Integrated Programming (SCIP).

1.3.3 COORDINATING WITH THE OTHER ORGANIZATIONS IN MOZAMBIQUE

Many other donors, bilateral, multilateral and private organizations are also present in Mozambique working on issues relevant to the AgriFUTURO. To assure coordination and prevent overlap or contradictions, AgriFUTURO is working with the following organizations:

- SNV, a Dutch organization, focusing on agribusinesses in the Beira and Nacala corridors;
- ADIPSA, a Danish organization, focusing on agribusinesses in several districts in the Beira and Nacala corridors;
- BAGC (the Beira Agriculture Growth Corridor), a consortium targeting the Beira corridor to develop

infrastructure programs;

- PROMER (Rural Market Program), funded by IFAD, working in some districts of Cabo Delgado, Niassa, and Nampula provinces;
- Swiss Cooperation, which is working in the Nacala corridor;
- GTZ's ACi project that focuses on cashew replanting in northern Mozambique, and on strategies for the integrated value chain associations;
- AGRA, a finance program run by Standard Bank on agro-financing;
- Bill and Melinda Gates Foundation on soya;
- ADRA on maize and groundnuts; and,
- MCC on relevant land issues.

2. AGRIFUTURO METHODOLOGY - TARGETED VALUE CHAINS

The project takes a value chain-oriented approach to agribusiness development in Mozambique. This approach is fundamentally market-driven; in it that it recognizes that sustainable agribusiness development is ultimately reliant on the existence of market demand, and that the needs of a willing buyer are an unparalleled motivator for investment and improvement all long the value chain. Value chains are, by their nature, integrated, and a sector's competitiveness is ultimately dependent on the performance of the value chain as a whole, not that of any single link along the length of the chain. It is thus in the interest of agents in the value chain to work together to respond to market demand. This market-driven approach to the project orients both the strategic interventions of the project and the choice of the value chains themselves.

AgriFUTURO agricultural market specialists made the initial selection of value chains based on their analyses of market potential. In the initial project proposal, nine value chains (bananas, pineapples, mangos, maize, soybeans, sesame, groundnuts, cashews, and forestry) were identified and proposed to receive support. As the project moved forward and refined its analyses, these value chains were condensed into four categories, which are recognized to share common elements and constraints: 1) Fruits (mango, banana and pineapple); 2) Oilseeds and Cereals (soya, sesame, maize, groundnuts); 3) Cashew; and, 4) Forestry. These

analyses were presented in summary form in last year's Work Plan.

This FY 2011 Work Plan reflects a further refinement of and greater focus on the value chain approach - as well as an increased emphasis on cross-cutting themes - neither of which fundamentally affects the nature of the activities that Agrifuturo is undertaking; though they do help to increase the focus and potential impact of these activities. Our target value chains are now more clearly defined as: 1) Fruits and Nuts (including mango, pineapple, banana and cashew as well as other fruits and nuts for which promising markets exist, such as litchi); 2) Forestry (plantation forest product as well as high-value and non-traditional forestry initiatives which complement our cross-cutting theme focus on biodiversity); and, 3) Oilseeds and Cereals (including groundnuts, sesame, maize and soya, among others).

This revised classification and definition of our target value chains complements our increased emphasis on addressing cross-cutting issues that are relevant to all of the value chains and affect their competitiveness in the market. These cross-cutting issues now include: 1) sanitary and phyto-sanitary (SPS) issues (including but not limited to fruit fly and aflatoxin); 2) quality assurance protocols (such as GlobalGap, HACCP, organic and fair trade); and, 3) planting materials (seeds, cuttings, seedlings). Thus, by placing greater emphasis on these specific issues that are common across the value chain set, AgriFUTURO is able to more effectively and efficiently respond to the particular characteristics and circumstances identified in each value chain.

In general, all the target value chains face constraints, especially regarding lack of:

- Financing for seasonal working capital;
- Appropriate inputs, especially seeds and seedlings;
- Appropriate attention to SPS and food safety measures;
- Market access, including knowledge of requirements for export markets;
- Supportive enabling environment; and,
- Business infrastructure, including skilled management and labor force.

2.1 VALUE CHAIN ACTION PLANS

As discussed above, to better focus our efforts in FY 2011, we have refined the value chain analyses to allow us to develop specific, yet flexible, plans of action for each. The project will focus on the priorities of each value chain, and will provide for the technical assistance, training, and capacity building needs required, as

well as a specific strategy for delivery of the assistance. Highlights from the Value Chain Action Plans of what AgriFUTURO will focus on for each value chain in FY11 are outlined below. Since AgriFUTURO methodology is based on the value chain methodology, we provide here brief descriptions of the action plan for each of the four broad value chain categories listed above. The actions and activities are presented in further detail in Table 1, later in the Work Plan.

2.1.1 FRUITS VALUE CHAIN

- Focus on addressing the cross-cutting themes of SPS and fruit fly;
- In some cases, facilitate access to market demanded varieties;
- Provide training for certifications (i.e. Globalgap);
- Facilitate the creation of an active and sustainable fruits input services provider network;
- Develop crop handling training manuals and workshops;
- Work with the World Bank/IIAM to establish the fruit training center;
- Assist farmers to increase their capacity to better manage post-harvest processes; and,
- Assist farmers in market linkages and quality assurance.

2.1.2 CASHEW VALUE CHAIN

- Facilitate establishment of an effective and private sector seedling production system using techniques of grafting and pruning;
- Increase participation in cashew tree replanting program, focusing on district producers in Mogovolas, Angoche, Morrupula, and Moma; and,
- Facilitate establishment of service providers, including nurseries and input suppliers, in each area able to supply production inputs for cashew and other crops that are inter-planted or grown by producers to expand the use of inputs.
- Provide training for certifications (i.e. Globalgap).

2.1.3 FORESTRY VALUE CHAIN

- Provide technical assistance to establish the proposed Technology Training Center to support the forest sector;
- Provide training to forestry products producers and processors in use of native forestry; and,
- Promote development of new products, such as bamboo.

2.1.4 OILSEEDS AND GRAINS VALUE CHAIN

- Facilitate the promotion of basic seed multiplication within IIAM/SNS mandates;
- Provide training in SPS and food safety (aflatoxin);
- Build on the agreement with Dengo Commercial and establish a MOU to facilitate the use of warehouse receipts to access bank credit;
- Establish MOUs with IKURU and Pannar Seed Companies to negotiate inclusion of commercial emergent farmers into their seed multiplication system;
- In collaboration with value chain working groups, we will assist in --
    - The introduction and promotion of improved seed varieties
    - The increase in the use of seed treatment and other ways of pest control, and
    - The support a local seed production system
- Support development of business plans for processing facilities;
- Facilitate identification of financing options for processors;
- Identify companies to provide training to processors such as quality, production, management, etc.;
- In collaboration with Unilurio, establish a certified laboratory to support the oilseeds and grains sectors; and,
- Provide market linkages to the value chain participants.

3. EXPECTED OUTCOMES AND SCHEDULE OF PROJECT

ACTIVITIES BY COMPONENT

3.1 COMPONENT 1: IMPROVE THE ENABLING ENVIRONMENT FOR AGRIBUSINESS

Mozambique's private sector enabling environment has been undergoing reform for many years, with support from other USAID-funded activities such as the recently completed Trade and Investment Project (TIP), with which AgriFUTURO worked during the first year of implementation. Component one of AgriFUTURO, which works to improve Mozambique's agribusiness enabling environment, will continue to collaborate with and provide support to the follow-on to TIP, the recently initiated Support Program for Economic and Enterprise Development (SPEED) Project, being implemented by Development Associates, Inc. While much has been achieved, the enabling environment for the agribusiness sector remains restrictive and has inhibited private investment flows. The Government of the Republic of Mozambique (GoM) has publically recognized the urgent need to accelerate enabling environment reforms at all levels. Donor-funded assistance and indices, such as the World Bank's "Doing Business" survey, have raised awareness and built momentum for this reform. However, the GoM and the country's agribusiness sector now require a broad, long-term vision for competitiveness and an accompanying agenda to guide the reforms. Private sector capacity to articulate, advocate, and engage in the debate for enabling environment reforms is increasing, but is particularly limited in the agribusiness and rural sectors. The agribusiness sector will benefit greatly from an increased and improved stakeholder base to help articulate and lead the agribusiness enabling environment reform agenda.

Component 1 addresses these needs through three core activities:

- Activity 1.1: Develop a stakeholder base for change;
- Activity 1.2: Develop a National Competitiveness Strategy; and,
- Activity 1.3: Develop and implement a national competitiveness reform agenda.

LEADING ACTIVITIES

During the period from October 1, 2009 to date, the project focused on identifying relevant stakeholders, completing policy analytical work, and drafting reform agendas among the project's target value chains. Specifically, the project carried out the Nacala Port study, which focused on the major constraints faced by businesses, including the agribusiness sector, in the port. Additionally, as a preliminary stage to complete the

Agribusiness Competitiveness Strategy, project specialists conducted a thorough desk review of policies and other government and sectoral strategies that contribute to the competitiveness of agribusinesses.

That desk review will serve as the basis for conducting the "Doing Agribusiness in Mozambique" analysis (often referred to an AgCLIR analysis) scheduled to be completed during the Work Plan period. AgriFUTURO also carried out a detailed identification and mapping of value chain constraints, resulting in the Value Chain Strategy and Action Plans for each of the nine value chain commodities to guide project interventions to address those constraints and draft reform agendas for the project's target value chains.

AgriFUTURO has also worked on the design of the new cooperative law regulations, preparing the groundwork for the transformation of existing associations into cooperatives, and the establishment of cooperatives as a business ventures.

The project also completed the initial analyses of three VCs, working towards the establishment of integrated value chain associations for fruits, forestry, and cashew. These prior activities and accomplishments provide a foundation for the activities outlined in the current work plan, described below.

ACTIVITY 1.1: DEVELOP A STAKEHOLDER BASE FOR CHANGE

International best practices show that the enabling environment reform process is most successful when it is based on open and flexible dialogue between the public and private sectors. A long-term goal of AgriFUTURO is to broaden the base of stakeholders that can successfully represent the broad interests of the agribusiness sector and promote and advocate for enabling environment reforms. Currently, the agribusiness and rural sectors, including producers, are limited in their capacity to assess and lobby for change. Investment in the organizations and associations that serve these actors will serve to strengthen this base.

To date, the project has identified relevant actors in the different value chains, and has taken the important initial steps to establish integrated value chain associations (VCAs) in the fruits, forestry, and cashew sectors.

PROPOSED FY 2011 ACTIVITIES

Activity 1.1.1 Capacity building among local, regional, and industry organizations and associations

During FY11, AgriFUTURO will work with existing local and regional producer and industry associations to build their capacity to represent their current constituents and, in some cases, to broaden their membership base. AgriFUTURO will work with these organizations and associations to assess their capacity and needs,

using the Partner Institutional Viability Assessment (PIVA) methodology, and to design and implement strategies to address those needs and strengthen their capacities. Some of these individual associations will then be developed into an integrated value chain association.

We are working with the following organizations on these activities:

- AICAJU in the cashew sector;
- FRUTISUL and FRUTICENTRO in the fruits sector;
- Forest Plantations Association;
- ACIANA, Commercial industrial and agricultural association of Nampula; and
- Commercial and Industrial Association of Sofala (ACIS) to focus on the Beira corridor.

FY11 DELIVERABLES

- Six local or regional producer and industry associations will have needs assessments completed.
- Three capacity building plans will in place and strengthening activities underway.
- At least three cooperatives will have been established under the new cooperative law.

Activity 1.1.2 Develop value chain association

Integrated value chain associations (VCAs) will help agribusinesses along the entire value chain understand both the challenges faced by the industry as a whole, and the specific challenges faced by different groups within the value chain (e.g., producers, transporters, packagers, financial service providers, wholesalers, processors, exporters). By interacting and analyzing issues related to the competitiveness of the overall value chain, association members will exchange important information at many levels, including information about policy and regulatory constraints impeding value chain growth. The value chain associations will form a natural coalition to represent not just one set of interests, but many. The associations will establish industry-wide incentives to push for changes that will promote value chain growth. Indeed, value chain associations will serve important functions beyond advocating for specific enabling environment reforms. They are important catalysts to increase trust along the value chain, improve cooperation among value chain actors, and ultimately increase value chain competitiveness.

Last year, an AgriFUTURO analysis demonstrated that there are currently no VCAs in place in the project's target value chains. An analysis of existing organizations, including integrated associations such as the Mozambican Poultry Association, industry-level associations such as AICAJU, and organizations with a specific geographic focus such as FRUTISUL, provided valuable insight into possible management models.

Based on the analysis, AgriFUTURO developed a basic model which was presented to stakeholders for feedback, with the intention of identifying a basic VCA format that could be tailored to fit the needs and circumstances of each individual value chain.

During FY11, AgriFUTURO will continue the task of developing VCAs. VCAs will initially be formed for fruits, cashews, and forestry and the groundwork will be laid for establishment of an oilseeds and grains VCA in FY 2012. They will meet initially to determine their format and to set a mutually agreed upon agenda. Further meetings will happen at least twice a year.

FY11 DELIVERABLES

- Value chain associations will be formed and formalized for the fruits, forestry, and cashew sectors, with operational plans developed.

Activity 1.1.3 Build the capacity of the Confederation of Trade Associations (CTA) Agribusiness Portfolio Group and Policy Group

The CTA has benefited from long-term and ongoing USAID assistance and capacity building. AgriFUTURO views CTA as an important ally for enabling environment reform of the agribusiness sector. The objective of AgriFUTURO assistance in this area is to strengthen CTA's capacity to represent segments of Mozambique's rural economy and agribusiness sector so that urban-based, large commercial interests do not dominate the reform agenda and dialogue. In the FY 2011 Work Plan, AgriFUTURO will focus its resources on the Agribusiness Portfolio Group and the Policy Group, on issues of mutually recognized importance. As needed, AgriFUTURO will provide specialized technical assistance to these groups to assist them in activities that are specific to shared interests as well as for general capacity building purposes.

FY11 DELIVERABLES

- The CTA Agribusiness Portfolio Group work plan will be fully developed.

Activity 1.1.4 Establish a Program Advisory Committee

Senior project staff will devote much time to this activity early in the period covered by this Work Plan. It is imperative that the project push to establish the program advisory committee (PAC) to guide AgriFUTURO on project direction and work planning. However, with the recent appointment of new Ministers of Agriculture and Commerce and Industry, we will need to immediately establish good working relationships with them in order to formalize the PAC. Fortunately, both appointments are viewed by most observers as positive, which should result in stronger relationships between AgriFUTURO and the GoM than previously. During the current Work Plan year, the PAC will be formalized and quarterly meetings will be held, during

which AgriFUTURO will apprise the committee of its proposed activities and concerns. While the PAC will play an important advisory role in AgriFUTURO activities, an additional aim will be to build capacity of the PAC itself to help it gain the institutional credibility and viability that will allow it to play such a role to a broader host of actors, such as other donor-funded agricultural or agribusiness projects, and to continue its activities beyond the AgriFUTURO project. Another important role of the PAC will be to provide a forum in which to engage the GoM on enabling environment reform initiatives. In this respect, the PAC will serve as a mechanism for channeling reform agenda proposals to various stakeholders within the GoM, the private sector, and the donor community.

FY11 DELIVERABLES

- The Program Advisory Committee (PAC) will be established with quarterly meetings held.

Activity 1.2: Develop a National Competitiveness Strategy

While the establishment of a stakeholder base is essential to the creation of human and organizational capacity to effect change, it is also essential that there be a shared vision of the possibilities and priorities for change and the strategies by which these possibilities can be realized, which will be embodied in a National Competitiveness Strategy for Agribusiness.

During the first year, AgriFUTURO worked with stakeholders to validate and deepen the initial value chain assessments and developed the Value Chain Competitiveness Strategy and Actions Plans for each value chain. AgriFUTURO staff reviewed value chain assessments and reports from other USAID-funded programs, such as EMPRENDA and TIP, other donor-funded projects, and GoM sector strategies. The project's value chain leaders (VCLs) also informally surveyed participants in each value chain to identify other constraints and opportunities. The project prepared Strengths, Weaknesses, Opportunities and Threats (SWOT) assessments, compared SWOT results, validated identified constraints and potential interventions with stakeholders, and developed value chain logframes. Based on the constraints and the broader vision for each value chain, the project developed competitiveness objectives. We further prioritized project activities that contribute to the achievement of each objective.

This exercise of identifying and understanding constraints along each of the AgriFUTURO value chains resulted in VC Competitiveness Strategy and Action Plans, which were designed to overcome bottlenecks and unnecessarily high cost activities that reduce competitiveness.

Additionally, project staff conducted a review of current sectoral strategies and policies, and held a workshop in which the results of the review were discussed among key government and private sector players. This will serve as the basis for developing a National Competitiveness Strategy.

During FY 2011, AgriFUTURO will continue its work on strategic assessments at three levels: 1) review and update, as necessary, the value chain analyses; 2) assess the business environment as related to the value chains; and finally, 3) complete the National Competitiveness Assessment.

FY 2011 ACTIVITIES

Activity 1.2.1 Develop a Competitiveness Strategy for Each Value Chain

While the VC Competitiveness Strategy and Action Plans were developed last year, program implementation has demonstrated that the VC Competitiveness Strategies need to be modified to include a more precise definition of what must be done to increase environmental awareness, management of biodiversity issues, as well as gender to better integrate women in private sector activities.

As for the VC Action Plans portion of this Work Plan presented later, we recognize that the action plans need to be updated annually for each value chain. These action plans serve as the project's road maps for technical assistance to the value chains and include activities from each of the project's four components, in essence they operational the Annual Work Plans.

FY11 DELIVERABLES

- Modified Value Chain Competitiveness Strategies;
- Updated Value Chain Action Plans.

Activity 1.2.2 Doing Agribusiness in Mozambique Assessment

Last year, AgriFUTURO staff and consultants conducted an exhaustive review of prior analyses and assessments of Mozambique's government policies related to agricultural competitiveness. This review now provides the project with much data and information which will allow us this FY to collaborate with government policy and technical experts to conduct an agribusiness competitiveness assessment of "Doing Agribusiness in Mozambique". The assessment, which will be based on USAID/EGAT's AgCLIR methodology, will benchmark Mozambique's enabling environment, and will follow the scope of work developed from the recommendations of the document review and stakeholders consultation. It will also serve as a diagnostic tool to identify Mozambique's agribusiness competitiveness and constraints. Project experts will compare survey results for specific indicators in Mozambique with those in sample Southern African Development Community (SADC) countries. This comparison will provide additional data and information about Mozambique's regional competitiveness, and will identify priority areas where improvements will have the greatest impact. The results will serve as a tool for promoting dialogue and constituency-building, and for developing the National Competiveness Strategy.

FY11 DELIVERABLES

- The "Doing Agribusiness in Mozambique" (AgCLIR) reports will be completed and submitted.

Activity 1.2.3 Develop National Competitiveness Strategy

Working with the CTA and PAC and with governmental institutions when applicable, AgriFUTURO will update the national competiveness reform agenda and action plan to address the constraints and priorities identified in the value chain and the "Doing Agribusiness" assessments. The objective is to identify the reforms that are not specific to any one value chain, but that affect the agriculture sector as a whole. The "Doing Agribusiness" assessment will generate an agenda of broad reform items, such as land access policy and procedures, and modernization of the export taxes, labor policies and VAT reimbursement procedures, among others. AgriFUTURO will forward these reform agenda items, especially those dealing with land use, land tenure, and land access, which are extremely important to the forestry sector and the emergent farmers but outside the scope of AgriFUTURO's work, to the GoM and other USG activities, including the MCC, whose mandates do include land issues.

AgriFUTURO will closely coordinate this activity with other USAID programs, such as SPEED, to leverage resources, avoid duplication, and present a common USG position. Our overall approach to promoting reform will be to build the skills at the grassroots to be able to advocate for agribusiness interests through increased bottom-up public-private dialogue. The project will work with private sector representatives and local governments in the Beira and Nacala corridors to identify the policy barriers that most constrain local agribusinesses and private enterprises. The resulting report "National Competitiveness Strategy Recommendations" will be shared broadly with AgriFUTURO partners and counterparts and will be revised based on feedback.

FY11 DELIVERABLE

- The Agribusiness National Competitiveness Strategy Recommendations will be submitted to USAID and the GoM.

Activity 1.3: Develop and Implement a National Competitiveness Reform Agenda

In FY 2010, the project worked with the *Associação Moçambicana para a Promoção do Cooperativismo Moderno* (AMPCM) to develop the new cooperative law regulations that were submitted to the Council of Ministers. It also conducted the "Nacala Port Study" to analyze shipping-related impediments to the expansion of agricultural product exports, and it supported *Instituto de Fomento do Cajú (INCAJU)* in the development of a cashew master plan.

In FY 2011, the project team will build on these accomplishments to develop a meaningful and reasonable reform agenda, and will work to build a consensus for it, particularly through the PAC and CTA's Agribusiness Portfolio Group and Policy Group. This report will incorporate the feedback obtained from the Agribusiness National Competitiveness Strategy Recommendations. Although the National Competitiveness Reform Agenda will be a crucial tool for developing a broad view of the constraints to agribusinesses and how to tackle these constraints, AgriFUTURO also has at its disposal considerable information from previous projects that point to important constraints that can be addressed as the Reform Agenda is being undertaken. Thus, even as the Reform Agenda is being developed, the project will be working to address some pre-identified issues, such as sanitary and phytosanitary issues, including fruit fly mitigation, Nacala Port inefficiencies, and the new cooperative law.

FY 2011 ACTIVITIES

Activity 1.3.1 Finalize National Competitiveness Enabling Environment Reform Agenda

Activities in this area will include organizing seminars in partnership with local agribusiness associations in selected districts in northern Mozambique to discuss local level policy measures to promote investment and trade. These proposals will target district administrators and local leaders. Topics for discussion during the seminars will include policy barriers at both the local and national level. These discussions will inform local government leaders who can then articulate a similar message for reform at the national level and build the capacity of the private sector to articulate policy reform priorities and advocate for reform support.

To further support selected policy initiatives, the project will procure specialized expertise to undertake analyses of a policy or policies identified by the project as priority constraints, the drafting of certain proposed regulations or policy justifications, identification of international regulatory best practices or policy models, and development of policy proposals that comply with Mozambican legal standards. Examples of other activities include:

- Facilitating dialogue-oriented meetings for specific issues;
- Arranging technical training when needed, for example to support development of technical regulations; or,
- Helping advocacy groups, such as value chain associations and regional associations, develop strategies for lobbying policymakers for reform.

FY11 DELIVERABLES

- A matrix of infrastructure constraints in Beira and Nacala corridors will be developed.
- A consolidated National Competitiveness Reform Agenda will be completed.
- At least two workshops on trade procedures will be conducted and summary results widely disseminated.

Table 1 below presents the detailed Component one activity schedule for FY 2011, by month.

TABLE 1. COMPONENT 1 SCHEDULE

Component 1: Improve the Enabling Environment for Agribusiness													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Activity 1.1: Develop a Stakeholder Base for Change													
1.1.1 Capacity building among local, regional, and industry organizations and associations													
Finalize needs assessments for local and regional producer and industry associations													EED and VCLs
Design and implement capacity building plans for relevant individual associations and organizations												C	EED and VCLs
Assist existing farmer organizations convert into legal cooperatives												C	EED and Value Chain Leaders
Capacity strengthening activities underway for relevant individual associations and												C	

organizations.													
Reassess capabilities following interventions												C	EED and VCLs
1.1.2 Develop value chain associations													
Identify value chain actors to establish and strengthen integrated value chain associations for fruits, forestry, and cashew.													EED and VCLs
Identify stakeholders to form industry associations for oilseeds and grains													EED and VCLs
Identify potential participants and recruit for associations/fora													EED and VCLs
Hold kick off meetings to determine format and set agenda for each association													EED and VCLs
Assist associations with their annual meetings													EED and VCLs
1.1.3 Build the capacity of the Confederation of Trade Associations (CTA) Agribusiness Portfolio Group and Policy Group													
Capability and needs assessment of CTA Agribusiness Portfolio Group													COP with EED

and Policy Group													
Provide technical assistance to CTA Agribusiness Portfolio Group and Policy Group to strengthen capacity												C	COP with EED
1.1.4 Establish a PAC													
PAC meets quarterly													COP
Activity 1.2: Develop a National Competitiveness Strategy													
1.2.1 Develop a competitiveness strategy for each value chain													
Modify the VC Competitiveness Strategy													EED
Update the VC Actions Plans													EED and VCLs
1.2.2 "Doing Agribusiness in Mozambique" assessment													
Draft SOW and contract STTA for assessment													COP and EED
Conduct assessment													COP and EED
Report generated and distributed to PAC and stakeholders													COP and EED
Workshops held for feedback and to determine action													COP and EED

strategy													
Distribute final report to key stakeholders and post to website													COP and EED
1.2.3 Develop national competitiveness strategy													
Draft SOW and contract STTA for assessment													COP and EED
Conduct competitiveness strategy assessment													COP and EED
Distribute draft concept paper "National Competitiveness Strategy Recommendations" to USAID, GoM, CTA, PAC													COP and EED
Workshops held for feedback and to determine action strategy													EE Director
Finalize the "National Competitiveness Strategy Recommendations"													COP
Submit National Competitiveness Strategy Recommendations to USAID and GoM													COP
Activity 1.3: Develop and Implement a National Competitiveness Enabling Environment Reform Agenda													

1.3.1 Finalize National Competitiveness Enabling Environment Reform Agenda													
Recommend agenda of key enabling environment reforms based on feedback from PAC, GoM and USAID on National Competitiveness Strategy Recommendations													COP with EED
Work with CTA Agribusiness Portfolio Group to promote the enabling environment reform agenda												C	COP with EED
Hold forums based on issues identified to gain consensus on issues and determine action plans and roles												C	COP with EED
Work with consultative groups on labor and land to identify specific issues to be studied												C	EED
Follow up on the Nacala Port study recommendations												C	EED
Support the dissemination of the new Cooperative Law and Regulations												C	EED and Value Chain Leaders

Support CTA Agribusiness Portfolio Group to provide assistance to the farmers' organizations to advocate for enabling environment reforms related to using and enforcing purchasing contracts.												C	EED and Value Chain Leaders
Develop a matrix of infrastructure constraints within Nacala and Beira corridors													EED and Value Chain Leaders
Support the dissemination of legislation related to agribusiness development												C	EED and Value Chain Leaders
Facilitate training seminars on specific labor law compliance issues faced by VCs													EED and Value Chain Leaders
In partnership with Crown Agents implement a trade procedures workshop in Mozambique													EED
Implement Enabling Environment Activities from the Value Chain Action Plans													
Fruits Value Chain:													

Work with MINAG (USDA, IIAM and DNSA - DSV) to experimentally introduce a new variety of pineapple (MD2)												C	EED and Fruit Value Chain Leaders
Identify alfonso types of mango vegetative material for multiplication.													VCL
Assist businesses improve relations with surrounding communities.													VCL
Fruit Fly:													
Provide technical assistance and capacity building to MINAG (DNSA - DSV) in the fruit fly surveillance program in Beira and Nacala corridor												C	EED and Value Chain Leaders
Support the meetings between South African and Zimbabwean SPS authorities regarding the fruit fly issue.												C	EED
Support development of surveillance measures to control the primary crop													EED

production constraints, e.g., nematodes, panama disease, aphids, thrips etc.													
Support the development of procedures to mitigate risks associated with fruit fly outbreaks, e.g., post-harvest procedures.												C	EED
Support MINAG (DNSA - DSV) in undertaking the regional workshop on SPS, especially the fruit fly in Mozambique and the SADC, EAC Regions													EED
Forestry Value Chain:													
Support roll-out and management of the Forestry Business Association Model													Forestry Value Chain Leader

Facilitate dialogue between government and forestry companies to align concession plans with: a) District Development Plans; b) Proposed community management plans; c) environment conservation plans (MICOA); and d) private businesses' management plans													Forestry Value Chain Leader
Facilitate linkages with other value chain stakeholder and NGOs to secure funding for Forest Plantations Association regarding conservation forestry initiatives, such as: cleaning development mechanism (CDM), UN-REDD mechanism and support the forestry industry.												C	Forestry Value Chain Leader

Facilitate internationally recognized certification of forestry companies in Mozambique.													Forestry Value Chain Leader
Assist businesses improve relations with surrounding communities.													Forestry Value Chain Leader
Cashew Value Chain:													
Support the development of the National Cashew Master Plan													COP and EED
Provide assistance to continue introduction of quality and hygiene standards in processing plants.												C	Value Chain Leader & Quality Business Advisor
Provide assistance to the processing factories for international quality certifications												C	Value Chain Leader & Quality Business Advisor
Support establishment of a system to monitor the cashew replanting program													EED and Value Chain Leaders

3.2 COMPONENT 2: EXPAND AND STRENGTHEN AGRIBUSINESS DEVELOPMENT SERVICES

Most business development services (BDS) currently available to Mozambique's private sector are provided by public sector institutions or donor-funded programs. Private provision of BDS, particularly for agribusiness and especially in the target corridors, is relatively limited.

Component 2 seeks to address the lack of private sector BDS through activities in three areas:

- Activity 2.1: Develop value-chain- focused, private sector-run agribusiness service clusters;
- Activity 2.2: Roll out and expansion of farmer-owned service centers; and,
- Activity 2.3: Build the capacity of service providers in the target value chains

For this component, AgriFUTURO is working in three different areas. We are developing a network of BDS providers into Agricultural service Clusters (ASCs) to service a specific geographic area. We are also working with member-owned associations that will become Farmer Owned Service Centers (FOSCs), to service their members, as well as others in the surrounding communities. Lastly, we also work with private firms and individual farmers who are direct beneficiaries of our services to strengthen their capacity to also undertake and provide relevant business development activities.

LEADING ACTIVITIES

- During its first year, AgriFUTURO identified in both corridors a wide network of potential ASCs and FOSCs with which to work. The project has signed preliminary agreements with some of them to establish formal and concrete areas of cooperation. In doing so AgriFUTURO has:
- Identified eight zones with the potential to generate a critical mass of product that will support BDS and output markets, based on geographical proximity and easy access from one location to another;
- Identified and recruited approximately 20 service providers in the Nacala corridor and 12 in the Beira corridor;
- Conducted preliminary capability and needs assessments with those service providers;
- Explored and identified opportunities for strengthening and expanding their activities; and,
- Signed an MOU with IFC to use its SME Management Solutions, in particular the SME Toolkit, Business Edge website, Business Edge trainer manuals and workbooks, and marketing tools. These tools will help identify training needs, such as bookkeeping, accounting, and business planning.

By the end of FY 2010, AgriFUTURO had worked with four private businesses to become the basis from which we will create Agribusiness Service Clusters (ASCs) this year, as well as one association that will become a FOSC. AgriFUTURO helped them access financing to be able to deliver BDS to commercial emergent farmers. Four of these businesses are in the Beira corridor and one is in the Nacala corridor.

During the coming year, AgriFUTURO will expand and scale up these activities by continuing to establish both ASCs and FOSCs, and by investing to develop private sector capacity to offer highly specialized BDS to participants in our target value chains.

At the conclusion of this section of the Work Plan, Table 2 presents the schedule of activities in Component two for all of FY 2011. Additionally, we provide information on value chain activities, as is relevant, which are detailed in the Value Chain Action Plans.

Component 2 activities will impact the following indicators:

- Purchases from smallholders;
- New jobs created;
- Total new exports;
- Private sector investment;
- Agribusiness firms benefiting;
- Net revenues generated; and,
- Financing mobilized.

ACTIVITY 2.1: DEVELOP VALUE CHAIN-FOCUSED, PRIVATE SECTOR-RUN AGRIBUSINESS SERVICE CLUSTERS

Agribusiness Service Clusters (ASCs) are focused on a specific geographic region and comprise private-sector owned firms that provide a range of Business Development Services (BDS) to participants in AgriFUTURO's value chains. ASCs will be lead by an organization to serve as a single point of contact for clients, and will provide their services on a commercial basis, establishing a basis for financial sustainability. Their purpose is to increase the availability and accessibility of business services for rural agribusinesses and to create a sustainable model of private sector-delivered business services.

To date, the project has initiated a process for the creation of ASCs in both of the project-focused corridors. It has identified enterprises and established agreements to support them to become service providers for the producers located within their geographical zones. AgriFUTURO is now in partnership with several commercial banks and other donors' programs, such as ADIPSA, SNV, BAGC and NORAD (see list of acronyms at the beginning of this Work Plan) working with several enterprises on pre-established action plans to increase their capacity to provide services by helping them improve the management of their organization, access financing, link smallholders with them in out grower's schemes, and provide market linkages. AgriFUTURO has created a considerable network of service providers to facilitate the creation of ASCs by providing technical assistance for business plan formation, identifying additional sources of investment and capital, and developing a sustainable plan for these companies.

Annex 1 to this Work Plan is a table outlining the private sector companies we are currently working with that could potentially become the basis for the formation of ASCs. They are grouped within the geographic areas and by the services they provide. From this expansive list of potential service providers, AgriFUTURO will identify those that best meet the requirements of the ASCs, and will sign formal agreements beyond the general MOUs that now exist. These formal agreements will define commitments from both the benefitting organization and AgriFUTURO, including a detailed Action Plan with clearly defined deliverables and time frame.

There are still some critical gaps in required services in geographic areas that the project will seek to fill in the coming FY. For example, access to seeds and other crucial inputs is still limited in many areas, and the project will look to identify appropriate providers to fill that need. This is a priority action for FY 2011.

FY11 ACTIVITIES

During FY 2011, AgriFUTURO will work with identified businesses on specific areas, as outlined above, including management strengthening, access to finance, access to markets, as well as provide targeted technical assistance. Some of these organizations will also be eligible to participate in the BDS and seed capital grants program. This funding will be used for basic infrastructure, such as a warehouse or storage facility, as seed capital for the purchase of processing equipment, and for initial operational expenses or commercial loan collateral.

Additionally, AgriFUTURO will:

- Provide technical assistance for business plan formation, including training in accounting and bookkeeping, identifying additional sources of investment and capital, and developing a sustainable

plan;

- Assist the selected ASCs in developing marketing and outreach strategies and programs; and,
- Provide technical assistance specific to the firms' own technical activities, such as sanitation and quality control assistance to processing plants.
- Agrifuturo will also seek out other private sector businesses to join an ASC in order to provide the full complement of services required by their clients.

FY11 DELIVERABLES

- ASC technical assistance program guidelines and methodology will be developed;
- The ASC monitoring plan will be completely developed;
- Six ASCs will be created, with business plans developed, supporting an estimated 1,200 commercial emergent farmers covering an area of 24,000 hectares; and,
- Six BDS grants will have been processed and implemented and at least 2 seed capital grants will have been provided to ASCs.

ACTIVITY 2.2: ROLL OUT AND EXPAND FARMER-OWNED SERVICE CENTERS

Farmer Owned Service Centers (FOSCs) provide services to members or associations that belong to, or own, the service center. AgriFUTURO will work with existing FOSCs to expand their range of services, as well as to provide technical assistance to producer associations to create new FOSCs. There is also the possibility that FOSCs will expand their services to entrepreneurs outside of their membership.

In Nacala Corridor, AgriFUTURO has been working with IKURU, a farmer owned company located in Nampula, helping members raise capital to buy products from the farmers involved in the commercial emergent farmers program and has identified areas of collaboration in that effort. AgriFUTURO has also been working with a cooperative in the maize, soybean, and sesame sector ALIMI, providing technical assistance and working on market linkages helping them to find markets and the necessary financing.

AgriFUTURO has also identified 2 more potential FOSCs in Nacala corridor with whom we are working to identify areas of cooperation: COPSA, an agriculture mechanized services provider cooperative with 10 members (50% women) based in Gurué/Ruace; and, FedaMoz, a farmer forum composed of 1,098

farmers, belonging to 55 associations and seven fora. AgriFUTURO has also identified a group of associations in Angonia, integrating around 1,800 members with whom it is working to identify areas to support having already agreed to support the transformation of some of the associations into cooperatives. AgriFUTURO is also working with three other associations: Associação Distrital dos Agricultores de Manica (ADAMA), integrating 72 members to help them to be restructured adopting cooperative legal statute; KKU, a cooperative of the second degree that includes two cooperatives of the first degree, aggregating 28,000 members; Dombe association, integrating around 1,600 members; and AMU, an association of banana producers managing an area of 350 has.

With all these associations and cooperatives, AgriFUTURO is working primarily to assist them to adopt a legal framework to improve their management skills, link them to potential markets, and providing technical assistance, as needed.

Annex 2 of this Work Plan provides is a table outlining the organizations we are working with that we anticipate will become FOSCs. By the end of FY 2011, AgriFUTURO will have selected at least two (2) FOSCs from this list formalized in each corridor.

FY11 ACTIVITIES

Based on the findings of a business needs assessment carried out in each corridor, in FY11, AgriFUTURO will continue to invest in existing FOSCs as well as to identify and develop new FOSCs. Specifically, the project will:

- Support IKURU to restructure its organization, develop a strategic business plan, and pursue Fair Trade accreditation;
- Assist ALIMI to access finance by facilitating a finance agreement between ALIMI and Banco Terra for investment in marketing;
- Support ADAMA, a district farmers' association that owns poultry related businesses, to understand its organizational options and assist them in registering the enterprise once the appropriate business form has been identified. AgriFUTURO will also work with ADAMA to help its producers expand their production of maize and soy, to be used as poultry feed, as well as sesame;
- Provide technical assistance to consolidate their legal status and assess financing for identified farmers' organizations that will be transformed into FOSCs: Dombe - Cooperativa de Dombe, Rotanda – *Cooperativa de Tsetsera*, AMPIA – *Cooperativa de Provedores de Insumos*, Ruace – Copsa, Cooperativa de *Provedores de Serviços Mecanizados de Ruace*, and Alto Molocue – Cooperativa FedMoz, and Associations of Angonia, Tsangamo and Macanga;

- Assist new and existing FOSCs to secure private financing (as described in Component 3); and,
- Provide or facilitate access to technical assistance to develop the organizational and technical capacity of the FOSCs.

FY11 DELIVERABLES

- We will establish 2 FOSCs in each corridor, supporting an estimated 35,000 farmers covering 18,000 hectares;
- We will develop four business plans – one per FOSC; and,
- We will develop new financial instruments to finance agricultural inputs.

ACTIVITY 2.3: BUILD CAPACITY OF SERVICE PROVIDERS IN THE TARGET VALUE CHAINS

The project will work to build capacity in existing local, regional, industry and producer organizations that represent stakeholders in the target value chains and geographic areas.

KEY ACCOMPLISHMENTS TO DATE

AgriFUTURO has identified several potential ASCs and FOSCs, as discussed above, and has worked with them to identify the main constraints they are facing. We will support them to overcome those constraints to create conditions for them to become service providers. Towards that end, AgriFUTURO has signed MOUs with several of the more promising of them defining areas of support, and will negotiate formal agreements with them to define even more clearly commitments by the ASCs and FOSCs and AgriFUTURO.

FY11 ACTIVITIES

AgriFUTURO will continue to provide assistance to selected agribusiness development service providers that currently provide or could provide services to the project's target value chains. These service providers will include ASCs, FOSCs, and individual small- and medium-sized agro-processors or service providers.

Our assistance under this activity will vary, depending on the needs of the service providers and value chain. AgriFUTURO's value chain leaders (VCLs) will provide extensive coaching, as well as more focused technical assistance, when needed. In some cases, our VCLs may need to initially provide business development services directly to clients as a means of building momentum. Specifically, during

FY11, AgriFUTURO will:

- Develop capacity building, coaching and mentoring plan for BDS providers;
- Develop training seminars targeted to women entrepreneurs;
- Identify potential market information service providers;
- Facilitate access to finance; and,
- Develop and implement a Market Information System.

Additionally, we will link AgriFUTURO-assisted agribusinesses with BDS providers through ASCs and FOSCs and assist in the development of Value Chain Action Plan agreements between them.

FY11 DELIVERABLES

- At least four business plans will be developed for oilseeds and grains processors;
- Warehouse receipt program successfully piloted;
- New wood species will be introduced and new products explored;
- MIS system will have been implemented;
- Increased BDS capacity in the private sector, in particular -
    - Planting material:
        a) 200 farmers involved in commercial production of planting materials (seeds and seedlings) that will increase the availability of quality planting materials to cover an estimated 6,500 hectares within our target value chains
        b) Cashew tree replanting program in progress
        c) Monitoring program for cashew seedlings in place
    - Training:
        a) Establishment of a Technology Training Center (for the forestry value chain) that will support 12 member firms of the Forest Plantations Association
    - Business development services:
        a) ASCs, FOSCs and farmers trained in the creation of business plans for improved

access to credit and improved business operations

b) At least four business plans developed for oilseeds and grains processors.

- Quality assurance:

  a) A laboratory for crop control (aflatoxin for maize and groundnuts) created at Unilurio in Nampula

  b) At least two farms adopted procedures in line with GLOBALGAP and ISO8000

  c) At least four companies will be provided training in quality, production, and management

- Sanitary and phyto-sanitary

  a) Common, integrated pest management strategy for flea beetle prevention in sesame developed.

Table 2 below presents the detailed Component one activity schedule for FY 2011, by month.

TABLE 2. COMPONENT 2 SCHEDULE

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Activity 2.1: Develop Value Chain-Focused, Private Sector-Run Agribusiness Service Clusters													
Develop business plans, including detailed financing plans, for each target ASC participant identified												C	BDSD and VCLs
Implement a grants program												C	Grants Manager with COP
Solicit proposals from pre-identified ASCs												C	Grants Manager with COP
Receive and review proposals, identify top candidates and submit results to USAID												C	COP with BDSD and Grants Manager
Provide technical assistance to develop business plans for ASCs												C	BDSD and STTA
Six selected recipients for ASC grants program with agreements finalized												C	BDSD

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Assist ASCs to develop BDS linkages plan												C	BDSD with VCL
Conclude the development of the ASC performance monitoring plan													BDSD with M&E
Implement the ASC performance monitoring plan												C	BDSD with M&E
Provide follow-up assistance to top tier, unsuccessful grants applicants to develop base for next ASC phase												C	BDSD & VCL
Activity 2.2: Roll-Out and Expand Farmer Owned Service Centers													
Assess capacity of identified farmers' organizations to be transformed into FOSCs												C	BDSD with EED and VCLs
Facilitate the preparation of selected farmers' organizations to become FOSCs													BDSD with EED and VCLs

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Facilitate linkages with other service providers												C	BDSD with VCLs
Develop business plans, including detailed financing plans, for each target agribusiness identified												C	BDSD and VCLs
Provide assistance to FOSC to secure private entrepreneurial financing												C	BDSD with VCLs
Develop a strategic plan for IKURU to help on organizational development, market led business planning, as well as the research of the lucrative markets and market global development alliances													BDSD with VCLs
Develop certified warehousing program with Dengo Commercial (warehouse receipt)												C	BDSD with VCLs

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Develop financial instruments for inputs financing												C	BDSD with VCLs
Develop market linkages (sales & purchasing contract)												C	BDSD with VCLs
Facilitate capacity building of identified FOSCs to deliver better services												C	BDSD and VCLs
Assist FOSCs to develop a membership and outreach program												C	BDSD
Activity 2.3: Build Capacity of Service Providers in the target Value Chains													
Develop capacity building, coaching and mentoring plan for BDS providers													BDSD and VCL
Facilitate specific VC BDS assistance, using local BDS providers												C	BDSD with VCLs
Conduct gender needs assessment and action plan for the value chains													BDSD and STTA

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Conduct a value chain gender integration workshop													BDSD and VCLs
Map the current participation of women in the targeted value chains												C	BDSD with VCLs
Identify women's groups/women-led groups leading agribusiness initiatives													BDSD with VCLs
Assist woman-owned businesses develop business plans and facilitate access credit												C	BDSD with VCLs
Develop training seminars targeted to women entrepreneurs													BDSD with VCLs
Identify market information providers													M&E with BDSD
Develop market information system													M&E with BDSD

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Implement market information system												C	M&E with BDSD
Value Chain Based Action Plan (detailed in the VC Action Plan)													
Fruits Value Chain:													
Undertake in-depth market analysis and assessments for selected fruits													BDSD with VCLs
Facilitate the creation of an active and sustainable input services provider network												C	VCLs
Develop crop handling training manuals and workshops												C	BDSD and VCLs
Develop training plan for the fruit value chain													
Facilitate production and processing trials												C	VCL
Assist farmers increase their capacity to better manage post-harvest processes												C	VCLs

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Assist farmers in market linkages and quality assurance												C	BDSD with EED and VCLs
Oilseed and Grains Value Chain:													
Facilitate the promotion of basic seed multiplication within MINAG (IIAM/SNS) mandates												C	BDSD with EED and VCLs
Facilitate introduction and promotion of improved seed varieties												C	VCLs
Increase the use of seed treatment and other ways of pest control												C	VCLs
Facilitate a local seed production system												C	VCLs
Facilitate farmer training for seed production												C	VCLs

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Facilitate the training on market opportunities and requirements													VCLs
Support development of business plans for processing facilities												C	BDSD with VCLs
Facilitate the provision of training to processors, such as in quality, production management, etc.												C	VCLs
Facilitate linkages between smallholder producers associations and commercial farmers and markets (organic, fair trade)												C	VCLs
Facilitate linkages between smallholder producers associations and commercial farmers and local testing facilities for quality control, oil content, etc.												C	BDSD with VCLs

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Develop the capacity of smallholder producers associations and commercial farmers for organic/fair trade certification												C	BDSD with EED and VCLs
Forestry Value Chain:													
Facilitate the establishment of a Technology Training Center with support from Forestry Business Association												C	VCLs
Provide training to forestry products producers and processors in use of native forestry												C	VCLs
Cashew Value Chain:													
Facilitate establishment of an effective seedling production system using techniques of grafting and pruning													Cashew VCL

Component 2: Expand and Strengthen Agribusiness Development Services													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Increase participation in cashew tree replanting program, focusing on district producers in Mogovolas, Angoche, Morrupula, Moma, and others												C	Cashew VCL
Facilitate establishment of service providers (including nurseries and input suppliers) in each area able to supply production inputs for cashew and other crops that are inter-planted or grown by producers to expand use of inputs												C	Cashew VCL

3.3 COMPONENT 3: BUILD LINKAGES TO FINANCING SERVICES FOR AGRIBUSINESS DEVELOPMENT

A dearth of financing instruments and mechanisms for rural and agricultural-based enterprises is a serious constraint to private sector growth in Mozambique, and to the country's ability to better compete in the global market. The costs and risks of doing business in Mozambique — perceived or real — are high, particularly in the agricultural sector. This has caused existing providers of financial services to avoid the agricultural sector in favor of less risky investment opportunities. What credit is available to agricultural is scarce and expensive. The project will work to build a range of financial instruments and mechanisms to reduce risks, reduce transaction costs, and increase confidence along value chains and within the private sector.

Best practices in strengthening agricultural and rural lending show that innovation must take place both on the demand side (businesses and entrepreneurs that demand access to financial services) and the supply slide (institutions that offer financing and other services and inputs). Advances by USAID AgriFUTURO in the provision of business development services under Component 2 (particularly in areas such as accounting, bookkeeping, and business planning), coupled with enabling environment reforms that reduce transaction costs and risks under Component 1, will help increase the flow of financing services to the agribusiness sector.

An important tool for AgriFUTURO's work in this component is the Development Credit Authority (DCA) guarantee program that USAID/Mozambique has established with two commercial banks (Banco Oportunidades and Banco Terra) and is now seeking to finish negotiations with a third. This guarantee program will be comprised of a portfolio guarantee facility with the selected commercial banks and includes partial guarantees for a diversity of loans to agribusinesses (including service providers) and micro lenders. Under the DCA program, AgriFUTURO will be engaged to bring new clients to the facility. We will assist potential DCA client borrowers/AgriFUTURO beneficiary groups prepare business plans and loan applications as well as leverage technical assistance to increase their profitability margins.

AgriFUTURO will also work with commercial banks that have made recently available new funds, including:

- Standard Bank Agriculture Facility with AGRA Funds. The borrowers for this fund are agribusinesses (including commercial farmers), business associations involved in agriculture, and traders in agribusiness with a secure market (off-take agreements must be presented). The purpose of the Facility is to finance inputs, working capital, vehicles and asset finance (via leasing), and

construction of warehouses. No guarantees are required. The Facility offers grace periods during which only interest (i.e., no capital) must be paid, but which can be negotiated;

- BIM and BCI that will use funds managed by CEPAGRI, the Ministry of Industry and Commerce, and the Agrarian Development Fund. This fund is specifically for agriculture, marketing, agricultural services, and agro-industry. It is limited to three provinces (Zambezia, Manica, and Sofala) and will bear an interest rate of 10%, with a one to three years grace period; and,
- MOZABANCO, in partnership with Sofid, has made available funds to support small and medium sized companies in diverse areas for mid- and long terms, between three and seven years, as long as they are economically and financially viable. The details on the availability of this fund are yet to be disclosed.

With the objective of strengthening the provision of financing to agribusinesses in Mozambique, Component 3 will undertake three activities:

- Activity 3.1: Help agribusiness firms access financing;
- Activity 3.2: Develop institutional innovations; and
- Activity 3.3: Promote project linkages to the Agribusiness Investment Fund.

LEADING ACTIVITIES

During the previous period, AgriFUTURO identified new sources of funds for agribusinesses, and approached Standard Bank, BCI and BIM, and MOZABANCO to discuss the details of the use of their funds.

AgriFUTURO has also developed a program with *Banco Terra* and the *Apoio as Iniciativas Privadas do Sector Agrário* (ADIPSA) to support financially commercial emergent farmers and promoted linkages between *Banco Terra* and several AgriFUTURO beneficiaries to make funds available for commercialization. With BOM, AgriFUTURO has developed an innovative program to assist small producers access financing aimed at establishing a savings and lending program for them. BOM will expand its rural coverage of financial services by establishing a series of branch offices and mobile banks to provide saving, loans, money transfer, and insurance products to rural communities. BOM, with the technical assistance provided by AgriFUTURO, will develop financial and physical market intervention programs for bulking, storage, and marketing of produce from the target clients.

EXPECTED OUTCOMES

By the completion of the second year Work Plan, AgriFUTURO the following results will have been achieved:

- Twenty enterprises will have an increased understanding of and ability to acquire financing from formal sources;
- Ten enterprises will have sought and received financing from these sources;
- A minimum of 300 commercial emergent farmers and over 5,000 smallholders will have received loans from available financing facilities; and,
- Two financing mechanisms, such as savings and loan programs, warehouse receipt guarantees, and micro-finance programs, will have been identified and designed and been implemented on a pilot basis.

At the conclusion of this section, Table 3 presents specific activities and their timing within this component. Additionally, we provide information on value chain activities, as is relevant, which are detailed in the Value Chain Action Plans.

(Component 3 will directly affect the amount of financing mobilized, but it will also indirectly affect all of the indicators.)

ACTIVITY 3.1: HELP AGRIBUSINESS FIRMS ACCESS FINANCING

Working with local BDS providers, AgriFUTURO is assisting agribusinesses to increase their capacity to identify, secure, and manage financing.

AgriFUTURO has worked with *Banco Terra* and *BOM* to provide loans to some of the beneficiaries of the program, in particular for the commercial emergent farmers program and for some buyers, such as IKURU. AgriFUTURO has also helped *Banco Terra* design financing support for service providers program in Manica. This program is based on a 60% guarantee program supported by ADIPSA, complemented by another 30% guarantee loan arranged by *Banco Terra*. Also *Banco Terra* will bear a risk on the remaining 10%.

FY 11 ACTIVITIES

The project will develop a network of partner financial institutions (see Activity 3.2) that will receive technical assistance in agricultural lending. Specifically, the project will:

- Complete the Agribusiness Financing Guide, which will identify the information requirements of financial institutions (including criteria for financial records, audit reports, credit histories, and business plans), and distribute this information to producer associations, ASCs, and other agribusiness institutions;
- Develop and conduct awareness building seminars to educate agribusinesses on the agribusiness finance sector, availability of financing, factors affecting their credit worthiness, and how AgriFUTURO can help them to access credit;
- Provide educational programming (trainings and seminars) that builds the capacity of BDS providers to offer services that improve communication between agribusinesses and financing providers. Such services may include -
- Business plan formulation for agribusinesses
- Sector and sub-sector market information and sector performance data, and
- Financial management and record-keeping for small- and medium-sized agribusinesses
- Identify "finance-ready" agribusinesses and link with partner financial institutions (through a DCA facility) to allow banks to develop best practices and experience lending to AgriFUTURO value chains; and,
- Identify other donor-funded financing programs that are relevant to AgriFUTURO client-agribusinesses and facilitate linkages with these programs.

Additional activities are identified in the Value Chain Competitiveness Strategy and Action Plans later in the Work Plan.

FY11 DELIVERABLES

- Agribusiness financing guide will be completed and widely disseminated;
- Twenty enterprises will have an increased understanding of and ability to acquire financing from formal sources;

- Ten enterprises will have received financing from these sources; and,
- A minimum of 300 commercial emergent farmers and over 5,000 smallholders will have received loans from available financing facilities.

ACTIVITY 3.2: DEVELOPING INSTITUTIONAL INNOVATIONS

AgriFUTURO will continue develop a network of partner financial institutions, including commercial banks and microfinance institutions, and provide them with technical assistance in agribusiness credit and finance.

AgriFUTURO and BOM have agreed to launch a project to develop a sustainable agro-finance scheme for small holder farmers in Manica Province. This pilot project aims at providing loans to 600 - 800 farmers in Manica North and Barue South. The project has already selected the eligible farmers for this activity, based on crop performances and the overall performance of the club (farmers who have been organized into a group, are known “clubs”).

FY11 ACTIVITIES

In this period, AgriFUTURO will:

- Complete its market assessment of financial institutions and develop an inventory of currently available financing products for project-assisted agribusinesses. This will build upon of the DCA market assessment carried out by USAID;
- Hold a national-level workshop for financial service providers that will synthesize available information on the state of agribusiness financing in Mozambique, and introduce models and case studies of successful agribusiness financing innovations from other countries that face issues similar to Mozambique’s. We will work with participants to identify feasible financing innovations and develop them for implementation in Mozambique;
- Train financial institutions on agribusiness risk analysis, mitigation and agricultural loan portfolio risk management, including providing financial institutions with market information, cost of production calculation methodologies and other agribusiness sector-related information needed to assess risk and make lending decisions; and
- Expand the range of value chain financing products to include inventory finance, supplier finance, warehouse receipts lending, leasing, and savings products by designing at least two new financial products to be piloted in financial institutions. As part of this activity, AgriFUTURO anticipates -

- Assessing options to develop savings and loan product within 1-2 producer associations
- Providing assistance to expand inventory and warehouse receipts financing products to at least 2 new financial institutions, and,
- Providing assistance to develop input financing products for input suppliers.

FY11 DELIVERABLES

- Market assessment of financial institutions will be completed;
- Inventory of available financing products for the agribusinesses will be prepared;
- Conduct a workshop on state of agribusiness financing in Mozambique;
- A minimum of 2 sector and market information briefing reports will be developed; and,
- Two new financing products will be developed and in use.

ACTIVITY 3.3: PROMOTE PROJECT LINKAGES TO THE LOCAL CURRENCY AGRIBUSINESS INVESTMENT FUND

Pursuant to instructions from the COTR at USAID/Mozambique, we have removed this activity from the Work Plan. We anticipate that this activity will be formally removed through a modification of the Task Order.

Table 3 below presents the schedule of activities in Component three for all of FY 2011.

TABLE 3. COMPONENT 3 SCHEDULE

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Activity 3.1: Help Agribusiness Firms Access Financing													
Develop financing guide for agribusinesses, including information requirements of partner financial institutions, and provide to producer associations and other forums for distribution to members													BDSD
Identify agribusinesses within each target value chain to receive assistance accessing finance												C	VCLs
Identify business development service providers to provide finance-related services													BDSD with VCLs

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Develop agribusiness finance-related training program for business development service providers													BDSD
Develop awareness building seminars for agro-producers on credit and finance issues													BDSD
Develop training program for farmers' organizations on agribusiness financial and administrative management													BDSD
Develop linkages between BDS providers and targeted agribusinesses for local financing options												C	BDSD with VCLs
Through local BDS providers, ASCs and FOSCs, build the capacity of agribusinesses to manage financing												C	BDSD and VCLs

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Identify agribusinesses with potential to receive equity investment or other private investment												C	VCLs
Facilitate investment plans for targeted agribusinesses and identification of private investors												C	VCLs
Identify donor-funded grant and investment programs that could be leveraged to support project client agribusinesses												C	COP with BDSD
Assist selected agribusiness prepare grant and financing applications for donor-funded grant/finance programs												C	VCLs
Develop risk assessment tool to identify agribusinesses with potential difficulty re-paying bank-provided loans													BDSD with VCLs

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Assist BDS providers with product development and risk management procedures												C	VCLs
Facilitate linkage with financial institutions to offer members access to savings and credit services												C	BDSD and VCL
Facilitate the design of a savings mobilization campaign to increase formal savings by rural entrepreneurs and to develop formal relationships with financial institutions												C	COP with BDSD and Communication Specialist
Value Chain Based Action Plan (detailed in the VC Action Plan)													
Fruits Value Chains:													
Mangoes: Identify appropriate financing for pilot pack house in Manica													EED & VCL
Bananas: Capital-raising												C	EED & VCL

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
assistance to new plantation investors													
Bananas: Capital-raising assistance to commercial BDS providers												C	VCLs
Pineapples: Identification of investment to bring new plant material for multiplication to establish the pineapple industry													COP with EED and VCL
Oilseed and Grains Value Chains:													
Increased access to finance for farmers, traders, processors												C	VCLs
Assist BDS providers to access production cost calculation methodologies												C	VCLs
Assist BDS providers to access value chain market assessments												C	VCLs

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Forestry Value Chain:													
Facilitate access to finance for small-scale initiatives												C	Forestry VCL with FSTTA
Cashew Value Chain:													
Identify the financial needs of each phase of cashew production (raw nut production, commercialization, processing, etc.) for both working and investment capital costs													COP
Assisting the industry to obtain financing for replanting program												C	COP with STTA
Activity 3.2: Develop Institutional Innovations													
Work with 1-2 partner financial institutions to develop at least two new financing products													COP and BDSD

Component 3: Build Linkages to Financing Services for Agribusiness Development													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Work with 1-2 producer associations to develop savings and loan products													BDSD with VCLs
Facilitate the development of agribusiness risk analysis and mitigation procedures for partner financial institutions to help them more realistically assess lending risk													DCOP with STTA
Facilitate the development of sector and market information briefing reports for financial institutions so they can better assess market opportunity and business plan viability												C	BDSD / VCLs
Assist commercial banks to develop and roll-out agro-lending training program												C	COP with BDSD

3.4 COMPONENT 4: INCREASE AND STRENGTHEN PUBLIC/PRIVATE PARTNERSHIPS

Partnerships between value chain stakeholders, government, other donors, and AgriFUTURO are important for sustaining long-term competiveness. Partnerships mobilize intellectual, technical, human, and financial resources for development. They also establish the basic organizational framework and working relationships that will guide the future growth and development of specific economic sectors. AgriFUTURO will facilitate the formation of partnerships that promote successful and mutually beneficial relationships within and across value chains.

To increase and strengthen public/private partnerships, Component 4 will undertake the following activity:

- Activity 4.1: Develop and Implement Global Development Alliances and Other Partnerships; and,

LEADING ACTIVITIES

To date, AgriFUTURO has signed public/private partnership (PPP) agreements with agribusinesses operating in both corridors, such as with OLAM, Corridor Agro, and Sherwood international. AgriFUTURO will leverage resources from the companies to jointly support farmers at all levels, from small producers to emergent farmers, by providing resources such as technical assistance or access to inputs, financing, or markets.

Activities under Component 4 directly impact the number of PPPs/GDAs formed and the amount of resources leverages through PPPs. This will also indirectly impact the other indicators.

At the conclusion of this section, Table 4 presents a schedule with activities and the anticipated timing of these activities.

ACTIVITY 4.1: DEVELOP AND IMPLEMENT GLOBAL DEVELOPMENT ALLIANCES AND OTHER PARTNERSHIPS

Global Development Alliance (GDA) partnerships combine the assets and experience of strategic partners, leveraging their capital and investments, creativity, and access to markets to solve complex problems facing government, business, and communities. The AgriFUTURO team has identified a preliminary list of strategic partners that will be engaged in the form of GDA partnerships over the life of the AgriFUTURO project. Examples include:

- Chiquita: Strengthening the banana value chain by increasing producer and processor capacity to respond to global demand and standards based on decades of global experience and intimate familiarity with global banana markets;
- Dole: Arranging supply of authentic MD2 pineapple planting material to mother fields in Mozambique; validation of site selection for pineapple export production, and; provision of detailed current and forecast market demand volumes and values in the global pineapple and mango industries, among others; and,
- Intersnack: Interested in exploring the possibility of supporting the development of peanuts in Mozambique. The company works with USAID in a similar project in Bolivia to introduce the sourced peanuts directly to the European market as a specialty.

FY11 ACTIVITIES

During FY11, AgriFUTURO will substantially increase the activities aimed at identifying new opportunities to form alliances with these and other strategic partners, develop concept papers and partnership proposals, and finalize partnership agreements. Abt Associates has recently hired a full-time senior GDA/PPP specialist to work from our offices in Bethesda, MD. He has many years experience working to assemble public – private partnerships for development purposes around the world. One of his first assignments with Abt will be to work with AgriFUTURO staff to refine and strengthen the PPPs currently in place and develop new partnerships. We have made contact, for example, with a senior

manager with the John Deere Company who put us in contact with the company's General Manager in Pretoria, South Africa. Our PPP specialist will visit Mozambique soon to follow up on this and other potential PPP arrangements.

Also, early in the work plan period, we will undertake a concerted effort to recruit global, regional, and domestic buyers for our target value chains with the aim of forming MOUs with these buyers. Equally important, we will obtain information from these buyers about their volume, quality, variety, certification, and service requirements. These highly specific buyer assessments will inform our ongoing work in the development of the supply side of the value chain as we seek to link suppliers with these buyers and upgrade their capacity to meet the buyers' requirements.

AgriFUTURO will also continue to identify and form partnerships with smaller local and regional value chain stakeholders, such as medium- and large-sized agro-processors and producers. Examples of such partnerships include:

- Sherwood International and banana producers in Macate, Manica Province;
- *Novos Horizontes*, a maize and soy buyer, that AgriFUTURO has a contract for the provision of technical assistance to producers, from whom they will in turn purchase their maize and soy output;
- Linkages between the Dengo Commercial, Pannar, and IKURU seed companies, which will contract with approximately 200 farmers that AgriFUTURO will be working with in the Nacala and Beira corridors, to multiply grain and oilseed seeds; and,
- Mozambique Leaf Tobacco (MLT), a producers' association which has agreed to work with AgriFUTURO to utilize its existing service and input delivery system to facilitate production of oilseeds and grains for the local market.

Additionally, AgriFUTURO will seek to form strategic partnerships with other donors to leverage additional resources and expertise. Donor partners may include: the United States Department of Agriculture (USDA) for feed grains; Irish Aid for pineapples; the World Bank for agribusiness services; and the International Finance Corporation (IFC) for financing linkages and agribusiness management.

The project also realizes that the GoM must be an active participant supporting private sector development and partnership formation. Therefore, AgriFUTURO will continue to build strong relationships with government agencies—especially the Ministry of Industry and Commerce and the Ministry of Agriculture—to more easily achieve the enabling environment agenda, mobilize investment resources, and promote new private sector endeavors that will expand access to business services.

Finally, AgriFUTURO has defined a framework and mechanism for further alliance development by identifying a broad range of organizations suitable for partnerships, developing and implementing a comprehensive outreach program to build interest and support for the project and Mozambique's agribusiness sector, and facilitating alliances between government and local, regional and international private sector stakeholders.

FY11 DELIVERABLES

- At least four new PPPs will be signed.
- Two new GDAs will be agreed upon and signed.
- A donor working group to coordinate PPP activities within the agriculture sector will be created.

ACTIVITY 4.2: SUPPORT THE FORMATION OF THE USAID/GOM AGRIBUSINESS INVESTMENT FUND

Pursuant to instructions from the COTR at USAID/Mozambique, we have removed this activity from the Work Plan. We expect that this activity will be formally removed through a modification of the task order.

Table 4 below presents the schedule of activities in Component four for all of FY 2011.

TABLE 4. COMPONENT 4 SCHEDULE

Component 4: Increase and Strengthen Public/Private Partnerships													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Activity 4.1: Development and Implementing Global Development Alliances													
Identify target organizations for new PPP/GDA alliances												C	Technical team
Develop/negotiate/ formalize new PPP/GDA partnerships across the value chains													COP/DCOP & STTA
Identify investors and facilitate creation of consortiums of processors under a PPP												C	BDSD with VCLs
Bananas, pineapple, mango: PPP/GDA partner to provide *pro bono* technical expertise and incorporation of specialist training material into training centers' curricula												C	COP/DCOP

Component 4: Increase and Strengthen Public/Private Partnerships													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Grain/Feed: PPP/GDA partner to design and implement storage and technology transfer alliance													COP/DCOP
Forestry: PPP/GDA partner to assist with the enabling environment reform program												C	COP/DCOP
Forestry: PPP/GDA partner to assist with human resources development												C	COP/DCOP
Soy Beans: PPP/GDA partner to assist with post-harvest infrastructure development													COP/DCOP
Pineapples: PPP/GDA partner to conduct detailed market demand surveys for fresh pineapple and pineapple juice, notably in Middle East countries													COP/DCOP

Component 4: Increase and Strengthen Public/Private Partnerships													
Activities & Tasks	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Activity/Task Lead**
Leverage the financial resources from development agencies that are working with agribusinesses ex: AGRA, BMGF (Bill and Melinda Gates Foundation)												C	COP/DCOP
Promote strategic partnership to increase impact of agribusinesses development activities (BAGC, CEPAGRI, UCODIN)												C	COP/DCOP
Develop and implement outreach program to promote PPP/GDA to target organizations												C	Communication Specialist

4. CROSS-CUTTING THEMES

Environmental management, biodiversity, gender, dissemination and outreach, and grants management are important cross-cutting issues for AgriFUTURO. Each of these is discussed below.

Additionally, a cross-cutting tool that will benefit all components is developing a GIS system to monitor program activities.

4.1 ENVIRONMENTAL IMPACT MANAGEMENT PLAN

Mozambique's abundant natural resource base and favorable climate are among the country's most valuable assets and their preservation is critical to the sustainability and growth of the agricultural sector. Thus, an important consideration for the long-term sustainability and competiveness of the sector is environmental planning and management.

The project's environmental plan emphasizes compliance with USAID global and Mission-specific regulations, guidance and requirements. AgriFUTURO has submitted its Initial Environmental Examination (IEE) and Environmental Mitigation Management Plan (EMMP) to USAID for approval. These tools, and other resources available from initiatives such as USAID's ENCAP program, ensure that environmental conservation and protection measures are implemented, and are especially important given the potential introduction of pesticides, herbicides, fertilizers, and small infrastructure such as irrigation as part of project activities.

Compliance with Title 22 of the Code of Federal Regulations, Part 216 (22 CFR 216) (or, Reg 216). AgriFUTURO's Initial Environment Examination (IEE) assesses the potential environmental impact of proposed activities and establishes criteria for determining mitigation measures to be implemented. Given the resource-intensive process and time frame of Environmental Assessments, AgriFUTURO will prioritize activities that produce the results that are sought without requiring the Environmental Assessment process. That said, AgriFUTURO will work with a short-term Environmental Specialist as needed to review specific projects that maybe considered high-risk and require additional, more complete mitigation measures.

Pesticide Evaluation Report and Safe Use Action Plan Compliance (PERSUAP).
USAID/Mozambique is presently preparing a Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) that will be applicable to USAID AgriFUTURO. The PERSUAP will outline guidance and

best practices for pesticide management that the project will follow and report on. The project's short-term Environmental Specialist will review the PERSUAP and develop additional guidelines for USAID AgriFUTURO technical specialists, if needed. Reporting Environmental Impact Management, USAID AgriFUTURO quarterly reports will include information on environmental compliance and environment-related issues. The project will also coordinate closely with the COTR and Mission Environmental Officer.

4.2 BIODIVERSITY

The USAID Office of Natural Resources and Biodiversity have made two funding obligations to the AgriFUTURO task order to support biodiversity actions in the target corridors. AgriFUTURO will use these funds to capitalize on efforts that are already underway to incorporate biodiversity activities in the selected value chains.

In order to utilize this biodiversity funding obligation for maximum benefit and impact, AgriFUTURO has focused activities on developing economic incentives for people living near key biodiversity areas to undertake activities that are compatible with area biodiversity objectives. AgriFUTURO will partner with the Gorongosa Restoration Project (GRP) on initiatives that provide economic opportunities to farmers who live in the buffer zone around the Gorongosa National Park. These economic opportunities will benefit from and contribute to the protection of the natural resource base in and around Gorongosa National Park, helping to slow the conversion of land from natural forests to agricultural uses, and reduce over-exploitation (including hunting, trapping, and tree-cutting) of wildlife and forest resources in and around Gorongosa Park, an area which holds and seeks to protect the vast biodiversity in the area.

AgriFUTURO staffs have identified two initiatives that demonstrate potential to simultaneously promote both the GRP's and AgriFUTURO's missions, while also offering opportunities for a productive partnering relationship that will build on the capabilities and resources of each organization.

First, AgriFUTURO will work with the GRP on identifying and disseminating sustainable forestry and agricultural models in the buffer zone around the Park. Such "sustainable" models will need to both protect the resource base and provide economic returns to the people living and working in the area. Options include agroforestry systems, perennial fruit cultivation, harvesting wild fruits and the sustainable harvest of high-value indigenous hardwoods. Several private companies (an example is Mezambite Forest Center) are already working in this area, often in partnership with GRP, and activities in this area would likely involve a four-way partnership among the involved communities, GRP, AgriFUTURO, and a private firm that has a business model and markets developed to complement the production model.

TABLE 5.1 PROPOSED WORK PLAN

	1/11	*2/11*	*3/11*	*4/11*	*5/11*	*6/11*	*7/11*	*8/11*	*9/11*
Partner with GRP to identify and implement sustainable land-use models for buffer zone communities									
Draft MOU with GRP	X								
Identify potential community and private sector partners		X							
Formulate and validate procedures with stakeholder involvement		X							
SOW and selection of STTA to identify and evaluate alternative forestry/ agricultural models			X						
Implementation of STTA and presentation of report				X					
Selection of model(s)					X				
SOW and selection of STTA to develop implementation plan for selected STTA model(s)					X				
Agreement between Agrifuturo, GRP, other parties, on roles and responsibilities in implementation of models						X			
Implementation of models							X	X	X (continued)
Collection of baseline data						X			
Evaluation of models and lessons learned									

Second, AgriFUTURO will partner with GRP and lend technical assistance to help upgrade the plant's processing, marketing, operations, and administration activities in order to help it reach its potential as a market for sustainably produced agricultural products, as well as an employer of local residents. Currently, the plant is under the operation of the GRP, and the GRP has expressed an interest in

contracting a private firm to operate the plant, though it would like to maintain some control over the plant to ensure that it continues to work towards the economic development and biodiversity goals of the GRP. By purchasing fruits that are grown within the buffer zone around the GNP and providing employment to residents in the area, the plant provides a market for both agricultural products and labor supplied by residents providing an alternative to other economic activity that is destructive of the Park's resources. Currently, the plant produces two types of dried fruit—banana and pineapple—that it sells in the park gift shop. There is vast potential to improve the market positioning of the plant's product and the efficiency of its operations by expanding the product mix, improving product quality, pursuing high value markets such as organic and fair trade, and building and capitalizing on the Gorongosa "brand" with which the plant is associated. AgriFUTURO will assist in these efforts by helping to identify and evaluate private firms among which GRP can select to contract operation and administration of the plant to; helping these firms to develop sound business proposals to undertake such an activity and to otherwise prepare for the competition; providing technical assistance in processing, marketing, distribution and branding of the product; and assisting in the evaluation of specific high-value markets, such as organic and fair trade, that seem provide particular promise to relationships and sales agreements with buyers.

TABLE 5.2 PROPOSED WORK PLAN

	1/11	*2/11*	*3/11*	*4/11*	*5/11*	*6/11*	*7/11*	*8/11*	*9/11*
Develop potential of fruit dehydration plant to contribute to economic development and land-use missions of GRP and Agrifuturo									
Draft MOU with GRP	X								
Formulate and release tender		X							
Identify and recruit private firms for submission of proposals		X							
Agrifuturo assists firms in development of proposals			X	X					
Submission and evaluation of proposals by GRP and Agrifuturo					X				
Winner announced					X				
Formulation of agreement between winning firm, GRP and Agrifuturo (this will be separate from and in addition to whatever agreement GRP						X			

and winning firm have relating to tender)									
STTA to evaluate markets (value chain analysis)						X	X		
STTA to determine appropriate product mix given local supply, market potential, and processing capabilities of plant						X	X		
Assistance in development of business plan and solicitation of financing/grants								X	
Ongoing communication with firm and formal, mid-year evaluation with all involved parties									X Continued

4.3 GENDER CONSIDERATIONS

AgriFUTURO recognizes that gender issues must be explicitly addressed in order to ensure that the maximum benefits are brought to women through project activities. Women play an important role in agriculture in Mozambique that should not be overlooked or minimized. Women's participation in the private sector is active, though often informal. During the coming work year, specific activities will be implemented to understand the specific role and needs of women touched by the project's agenda, and to design activities that mitigates any potential negative impact and augments benefits brought to women by the project.

Early in the Work Plan period, we will conduct a gender needs assessment and action plan for each of the value chains. The objectives of this assessment will be to: 1) identify the key points where women are involved in each value chain and the potential for AgriFUTURO activity to productively incorporate women or gender dimensions in its activities; 2) determine women's organizations that are currently active in the value chain with which AgriFUTURO can partner; and, 3) devise a strategy and create an implementation plan for that strategy. As a result of this analysis and action plan exercise, we will be positioned to design activities that specifically incorporate women into the value chain activities in areas that are most potentially beneficial to them, and adapt other activities, as appropriate, to be more inclusive of and beneficial to women. We will also seek out and invest in women-owned and managed enterprises, and pursue financing innovations that meet the specific credit needs and constraints faced by women. Specific detail on these activities is provided in the Component discussions of the work plan.

4.4 GRANTS MANAGEMENT

Grants management is a core operational issue that serves to bolster the program's core components. USAID AgriFUTURO has posted Annual Program Statements (APSs) on the program's website and has begun to receive applications for grant funding. The project expects to issue at least six grants during the work plan period. Currently, the grants program is comprised of three types of grant financing mechanisms:

ASC Establishment Grants: To fund a portion of the ASC's start-up costs, such as registration and basic equipment purchases. At least six ASC grants will be made in this work plan period. This grant funding is estimated at approximately $75,000 per grant. From October to February of the work plan period, the project will focus on working with potential ASC grant candidates to develop business plans and identify opportunities for grant funding. Pre-identified ASCs have been invited to compete for grant funding using the analysis and information provided in their business plans as a key element to support their grant applications. USAID has indicated that it may increase the maximum amount of each individual grant

from $75,000 to $100,000. AgriFUTURO's grant management program is fully capable to adjust quickly to this new maximum limit. (See Activity 2.1 for further information);

Seed Capital for Investment Grants: These grants are for capital investment financing. They are made available to applicants that demonstrate a viable investment opportunity and have been able to leverage matching grant funding from other donors, investors, or private credit providers in cash or in-kind contributions. Applicants must identify matching funding (at least 30% of the total grant funding) at the time of submitting applications. This grant funding will not exceed $50,000 per grant. The project will solicit grant applications in accordance with the task order during the last quarter of the work plan period.

Discretionary Grants: To enable a rapid response for a small initiative that serves the broader objectives of the project. Currently, these grants may not exceed $5,000 and are be issued as opportunities are identified. USAID has indicated that it may increase the maximum amount of each individual discretionary grant from $5,000 to $10,000. AgriFUTURO's grant management program is fully capable to adjust quickly to this new maximum limit.

Proposed New Local Currency Grants: USAID has indicated that it will make approximately $3.5 million per year for the coming 2 – 3 years available for a special grants initiative. The plan is to incorporate the new local currency grants program into the AgriFUTURO grants management portfolio. AgriFUTURO's grant management program is fully capable to manage this new grant initiative.

4.5 DISSEMINATION AND OUTREACH

Communication and outreach are important means to enhance the impact of the project and increase the visibility of USAID in the country. Through its long-term dissemination and outreach strategy, USAID AgriFUTURO is assuring the continuous flow of information between the program and stakeholders, both external and internal to the project. Keeping stakeholders and the Mozambican public informed about project activities increases trust in and support of the project. Thus, the project's dissemination and outreach communications strategy is working to enhance visibility of the project to local media and facilitate accurate reporting of Mozambican press stories related to USAID AgriFUTURO.

Internally, the project strategy is focused on increasing in-house (internal to USAID and the USG) understanding of USAID AgriFUTURO program and its activities, and strengthening communications and outreach within USAID/Mozambique and among the U.S. Embassy and USAID/Washington. By extension, the program outreach and dissemination strategy will increase U.S. audiences' knowledge of the impact of USAID AgriFUTURO.

Over the coming year, AgriFUTURO will continue to collaborate closely with USAID/Mozambique, the U.S. Embassy, USAID/Washington, and implementing partners to promote a better and clearer understanding of project achievements within the Mozambican government, private sector, and civil society counterparts. Within the scope of communications, USAID AgriFUTURO has utilized various approaches to communicate its messages along the value chains as well as by components. Ongoing dissemination and outreach activities that will be carried out include:

- Weekly updates are be posted to the AgriFUTURO website (www.agrifuturoproject.com), which was launched in May 2010 and serves as a key tool to disseminate real-time information about the project and its ongoing activities;
- Bi-monthly publication and circulation of the AgriFUTURO bilingual (Portuguese, English) newsletter, AgriNews, one of the key vehicles for sharing the project out comes with stakeholders;
- Media and broadcasting clippings for public opinion monitoring and reputation risk assessment purposes;
- Press releases to media covering important milestones and achievements of the project;
- Ongoing, ad hoc production and release of communication and outreach materials to increase the visibility of the project among stakeholders (folders, handout, leaflets, banners, brochures, flyers, roll ups, etc.) for local and international audiences; and,
- Media tours and events that increase media familiarity with the project and project activities.

Annex A: Private Sector Companies Potencial Asc Participants In Nacala Corridor

Providers	*Geographical Area*	*Value Chain*	*Type of Services*	*AgriFUTURO Support*
Nacala Corridor - Nampula/Murrupula to Alto Molocué Gurué/Lioma in Zambézia				
IPCCM	Murrupula	Cashew	Inputs (seedlings), TA	Management, technical support on quality issues, access to finance
MAP	Alto Molocué	Cashew, maize	Inputs, TA,	
Markets	Access to finance, technical support on quality issues			
CISTER	Alto Molocué	Groundnuts	Inputs, mechanization, markets	Access to finance
Carlos Santos	Gurue/Ruace	Soya, maize	Equipment maintenance	Access to finance, linkages to producers
Biochem	Ruace	Agrochemicals	Inputs	Market linkages
Nacala Corridor - Nampula/Mogovolas/Chalaua/Moma				
Incamobale	Mogovolas	Producers of equipment for groundnuts	Equipment supplier, TA	Management,
technical support,				
access to finance				
Teotónio	Moma	Groundnuts, maize, sesame, cashew	Inputs, mechanization	Management, technical support on quality issues, access to finance
Unilurio	Nampula	All crops	Laboratory control	Access to finance, technical support
Nacala Corridor - Nampula /Corrane/Liúpo/Angoche/Mogincual				
Miranda Industrial	Mogincual/Angoche	Cashew	Inputs (seedlings), TA	Management, technical support on quality issues, access to finance
Nacala Corridor - Nampula/Meconta/Monapo/Nacala				
Corridor Agro	Meconta	White and yellow maize, sesame	Inputs, mechanization, markets	Access to finance

Providers	*Geographical Area*	*Value Chain*	*Type of Services*	*AgriFUTURO Support*
Condor Nuts	Nampula/Anchilo	Cashew	Inputs (seedlings), TA	Management, technical support on quality issues, access to finance
Olam	Nampula, Cabo Delgado, Zambezia	Cashew, sesame, maize	Inputs, TA, financing, markets	Organizational support (market linkages for producers)
Jacaranda	Namialo/Meconta	Fruits: bananas, pineapple	Inputs,	
Markets	To be defined			
Ussumane Miquidade	Nampula,	Cashew, fruits	Inputs (seedlings), TA	Management, technical support, access to finance
Nacala Corridor – Nampula/Rapale/Ribaue/Malema to Cuamba in Niassa				
Export Marketing	Nampula Cabo Delgado, Niassa	Sesame, cashew	Inputs, TA, financing, markets	Organizational support (market linkages with producers)
Sogiza	Malema	Soya	Inputs, mechanization, markets	Management, access to finance
Olima	Ribaue	Soya, sesame, maize	Inputs, mechanization	To be defined

Annex B: Private Sector Companies Potencial Asc Participants In Beira Corridor

Providers	*Geographical Area*	*Value Chain*	*Type of Services*	*AgriFUTURO Support*
Vinson G&G	Manica	Soya, sesame, maize	Inputs, mechanization, markets	Access to finance, management
Prio Foods	Manica	Soya, sesame	Inputs, mechanization, markets	Access to finance
Phoenix	Dombe	Soya, sesame, maize	Inputs, mechanization, markets	Access to finance
Njerenje	Gondola	Soya, sesame, maize	Inputs, mechanization, TA	Access to finance
Sherwood	Several districts	Market providers	Market linkages	Access to producers
BOM	Chimoio, Manica, Barue	Financial products	Loan and saving accounts provider	Technical support to producers
Dengo Comercial	Chimoio	Inputs (seeds, chemicals)	Inputs supply	Access to finance, management
RDI	Chimoio	Consultant Services	Management, organizational services	Hired by AgriFUTURO to provide services to fruit farmers

Annex C: Potential Foscs In Nacala Corridor

Providers/Associations	*Geographical Area*	*Value Chain*	*Type of Services*	*AgriFUTURO Support*
Nacala Corridor - Nampula/Murrupula to Alto Molocué Gurué/Lioma in Zambézia;				
Fedamoz	Alto Molocué	Soya, groundnuts, maize	Market linkages	Access to finance, management and organizational support
COPSA	Gurue/Ruace	Soya, maize	Mechanization	Access to finance, management and organizational support
Nacala Corridor - Nampula/Meconta/Monapo/Nacala				
IKURU	Nampula	Soya, sesame, maize, groundnuts, cashew	Inputs, market linkages	Access to finance, management, technical support
Nacala Corridor - Nampula/Rapale/Ribaue/Malema to Cuamba in Niassa				
ALIMI	Cuamba	Soya, sesame, maize	Inputs,	
mechanization	Management, technical support, access to finance			

Annex D: Potential Foscs In Beira Corridor

Associations	*Geographical Area*	*Value Chain*	*Type of services*	*AgriFUTURO Support*
APAC/KKU	Gondola, Gorongoza, Sussudenga	Maize	Inputs, market linkages	Access to finance, and management
ADAMA	Manica	Soya, sesame, maize	Inputs, market linkages, TA	Access to finance, management, technical support
Dombe	Sussudenga	Soya, sesame, Maize	Inputs, market linkages	Access to finance, management, technical support
AMU	Macate/Manica	Bananas	Inputs, TA	Management, technical support, access to finance
Angonia Associations	Angonia, Tsangamo, Macanga	Soya, maize	Inputs, TA	Management, technical support, access to finance

Annex E: Estimated Stta, Training And Other Support Resources

Short-Term Technical Assistance	Trainings and Seminars
Component 1: Improve the Enabling Environment for Agribusiness	
Activity 1.1: Developing a stakeholder base for change	
Value Chain Association Specialist	Stakeholders Meetings
Partner Institutional Viability Assessment (PIVA) Specialist (1)	Partner Institutional Viability Assessment Workshop
Activity 1.2: Developing a national competitiveness strategy	
Senior Policy Specialist (2)	National Competitiveness Strategy Recommendations Workshop
AgCLIR Specialists (2)	AgCLIR Workshop, AgCLIR Stakeholders Meeting
Cashew Master Plan (Subcontract)	Cashew Stakeholder Meetings
Activity 1.3: Developing a national competitiveness reform agenda	
Senior Policy Specialist (1)	Enabling Environment Reform Workshops (Tax, Labor, Contract Enforcement)
Cooperative Specialist	Cooperative Management Workshops
Cooperative Business Specialist	
Technical Specialist for Fruits (MD2) (2)	SPS Seminar, Trade Procedures Workshop
Component 2: Expand and Strengthen Agribusiness Development Services	
Activity 2.1: Developing value chain-focused, private sector-run agribusiness service clusters	
Business Planning Specialist (2)	Business Plan Workshops
Activity 2.2: Rolling out and expanding farmer-owned service centers	
Business Planning Specialist (2)	FOSC Model Seminar
Agribusiness Specialist	Savings and Credit Workshop
Activity 2.3: Building the capacity of service providers in the target value chains	
MIS Specialist	End Market Opportunities Seminar

Short-Term Technical Assistance	Trainings and Seminars
Forest Technology Training Center Designer	Production and Quality Workshop
Fruit Market Analyst	
Nursery and Seedling Specialist (Cashew)	
Component 3: Build Linkages to Financing Services for Agribusiness Development	
Activity 3.1: Helping agribusinesses access financing	
Agribusiness Management Trainer	Agribusiness Management Training
Activity 3.2: Developing institutional innovations	
Warehouse Receipts Specialist	National Agribusiness Finance Workshop
Rural Finance Specialist	
Component 4: Increase and strengthen public-private partnerships	
Activity 4.1: Developing and implementing Global Development Alliances and other partnerships	
GDA Development Advisor Regional (SADC) GDA Development Advisor	
Cross-Cutting Themes: Environment Management, Biodiversity, Gender, Grants Management, Dissemination Outreach	
Environment Management Specialist	Pesticide Use and Handling
Biodiversity Specialist	
Gender Specialist	Women Entrepreneurship Workshop
GIS Specialist	GIS Workhop

Annex F: Estimated Funding Requirements Per Month

Month	Estimated Funding Requirements
October 2010	$482,179.00
November 2010	$571,935.00
December 2010	$407,044.00
January 2011	$492,371.00
February 2011	$413,903.00
March 2011	$385,401.00
April 2011	$395,512.00
May 2011	$315,423.00
June 2011	$323,260.00
July 2011	$327,188.00
August 2011	$343,308.00
September 2011	$350,690.00
Total Estimated Funding Requirement October 1, 2010 – September 30, 2011	$4,808,214