



USAID AgriFUTURO PROGRAM

MOZAMBIQUE AGRIBUSINESS COMPETITIVENESS

Work Plan

MAY 1, 2010 THROUGH SEPTEMBER 30, 2010



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CONTENTS

Acronyms.....	i
Introduction	1
I. Project Background.....	1
Project Objective and Statement of Work.....	1
Project Context.....	2
Target Value Chains	3
<i>Oilseeds & Grains</i>	4
<i>Forestry</i>	10
<i>Horticulture</i>	11
<i>Cashew</i>	15
II. Description and Schedule of Project Activities by Component	19
Component 1: Improve the Enabling Environment for Agribusiness	19
<i>Activity 1.1: Develop a Stakeholder Base for Change</i>	19
<i>Activity 1.2: Develop a National Competitiveness Strategy</i>	23
<i>Activity 1.3: Develop a National Competitiveness Reform Agenda</i>	24
Component 2: Expand and Strengthen Agribusiness Development Services.....	31
<i>Activity 2.1: Develop Value Chain-focused, Private Sector-run Agribusiness Service Clusters</i> ..	31
<i>Activity 2.2: Roll Out and Expand Farmer-owned Service Centers</i>	32
<i>Activity 2.3: Build the Capacity of Service Providers in the Target Value Chains</i>	32
Component 3: Build Linkages to Financing Services for Agribusiness Development	39
<i>Activity 3.1: Help Agribusiness Firms Access Financing</i>	39
<i>Activity 3.2: Develop Institutional Innovations</i>	40
<i>Activity 3.3: Promoting Project Linkages to New Agribusiness Investment Fund</i>	41
Component 4: Increase and Strengthen Public/Private Partnerships	46
<i>Activity 4.1: Developing and Implementing Global Development Alliances and Other Partnerships</i>	46
<i>Activity 4.2: Supporting the Formation of the USAID/GoM Agribusiness Investment Fund</i>	47
III. Cross-Cutting Themes	50
Environmental Impact management Plan.....	50
Gender.....	51
Dissemination and Outreach.....	52
Grants Management	53
Annex 1: Estimated STTA, Training and Other Support Resources	55
Annex 2: Estimated Funding Requirements per Month.....	57

ACRONYMS

ACIANA	Commercial, Industry and Agricultural Association of Nampula (<i>Associação Comercial Industrial e Agrícola de Nampula</i>)
ACIS	Commercial and Industrial Association of Sofala (<i>Associação Comercial e Industrial de Sofala</i>)
ADIPSA	<i>Apoio as iniciativas privadas do sector agrário</i>
ADEM	<i>Agência de Desenvolvimento Económico de Manica</i>
ASC	Agribusiness Service Cluster
ATC	Agribusiness Trade & Competitiveness
BAGC	Beira Agriculture Growth Corridor
BDS	Business Development Services
BDSB	Business Development Services (Component) Director
BOM	Banco de Oportunidade de Moçambique
CEPAGRI	<i>Centro de Promoção de Agricultura</i>
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CTA	Confederation of Business Associations
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
EED	Enabling Environment (Component) Director
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	<i>Industria Florestal de Manica</i>
IIAM	<i>Instituto de Investigação Agrária de Moçambique</i>
IKURU	A farmer-owned company in Nampula
IMF	International Monetary Fund
INCAJU	<i>Instituto do Cajú</i>
IPEX	<i>Instituto de Promoção de Exportações</i>
IQC	Indefinite Quantity Contract
ISPM	International Standards for Phytosanitary Measures
ITC	<i>Iniciativa de Terras Comunitárias</i>
LGF	Loan Guarantee Fund
MIC	Ministry of Industry and Commerce
MINAG	Ministry of Agriculture
MOFLOR	<i>Moçambique Floresta</i>
MOU	Memorandum of Understanding
MT	Metric Ton
MYAP	Multi-Year Assistance Program
NPCM	<i>Núcleo de Cooperação de Cooperativismo Modern</i>
OXFAM/NOVIB	Dutch organization for international aid
PAC	Program Advisory Committee

PEDSA	Strategic Plan for Development of the Agricultural Sector (<i>Plano Estratégico de Desenvolvimento do Sector Agrário</i>)
PRISE	Promoting Rural Investment in Smallholder Enterprises
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PROMER	<i>Programa de Promoção Mercados Rurais</i>
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	<i>Servico Nacional de Sementes</i>
SNV	Dutch International Development Organization
SPS	Sanitary and Phytosanitary
STTA	Short-term Technical Assistance
TIP	Trade and Investment Project
TLC	Total Land Care
ToR	Terms of Reference
UCASN	<i>União dos Camponeses do Sul de Niassa</i>
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
VCL	Value Chain Leader

INTRODUCTION

This work plan covers the period May 1, 2010 through September 30, 2010. It is being written in order to bring the USAID AgriFUTURO program year in line with the U.S. government's fiscal year. The work plan should be viewed as a guide to help coordinate and integrate project activities across various components, but not as an authoritative implementation manual. Implementation of the work plan should be flexible to allow shifts in emphasis and prioritization as opportunities arise and as challenges dissipate.

I. PROJECT BACKGROUND

On May 1, 2009, the United States Agency for International Development Mission in Mozambique (USAID/Mozambique) awarded Abt Associates 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 Completion Form contract. The Task Order is scheduled to terminate on February 27, 2013.

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

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 overall business environment.

USAID AgriFUTURO supports the Mission'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. The selected nine initial value chains are bananas, pineapples, mangos, maize, soybeans, sesame, groundnuts, cashews, and forestry. The project is comprised of four components:

1. Improve the Enabling Environment for Agribusinesses;
2. Expand and Strengthen Agribusiness Development Services;
3. Build Linkages to Financing Services for Agribusiness Development; and,

4. Increase and Strengthen Public-Private Partnerships.

Each component is comprised of activities, 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, a region that has favorable agricultural production potential, climate, proximity to ports and population density. The region has benefited from previous USAID investments and offers synergies with other Mission portfolio activities.

The project's headquarters offices are located in Maputo with satellite offices located in Chimoio and Nampula.

PROJECT 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 \$330 in 2007 and 54% 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 7%. The global economic crisis has begun to affect Mozambique's growth; the International Monetary Fund (IMF) estimates that growth could fall to 4.8% in 2009, but begin to recover in 2010.

Mozambique's Agricultural Sector

Agriculture contributed to 28% of GDP in 2007 and supports close to 80% of the country's population and over 90% of the rural population. Mozambique has tremendous potential to produce highly productive and globally competitive agricultural products, from both smallholder farms and large-scale commercial farms for food and cash crops, livestock, and forest products. Nearly every rural household relies on agriculture as the primary source of livelihood. Indeed, the 2004/05 Labor Force Survey found that agriculture accounts for 78.5% of total employment in Mozambique, and 87.3% 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 99.5% of agricultural enterprises are small family farms, producing traditional crops with traditional cultivation techniques (annual Agricultural Surveys). There are few modern production techniques and technologies developed and disseminated by the public and private sectors. Input markets are small and segmented; most smallholders have little or no access to a diversity of inputs. 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 and increasing the costs of market access.

In 2007, agriculture accounted for only 11% of total export earnings. The sector's contribution to the country's economy has declined over the past decade; this would indicate 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 most likely explained by the dramatic increase in value of mega-projects, particularly in the extractive industries and growing diversification of the economy.

The sector should be a strong magnet for investment. Indeed, investors, domestic and international, have recognized the potential of the sector and have expressed interest in investing. However, the country 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 due to the perceived high costs of doing business, 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 financing.

The USAID AgriFUTURO program is designed to reduce these constraints to increased investments in the agricultural sector and increased productivity. The project seeks to improve the enabling environment and availability of credit and financing in order to facilitate investment flows. The project will also work to improve the availability of agribusiness development services, expand the use of modern production and processing technologies to improve production quantities and quality and improve market linkages.

TARGET VALUE CHAINS

Prior to project start-up, Abt Associates conducted an analysis of seventeen value chains. Based on this analysis, nine value chains were selected for support: bananas, pineapples, mangos, maize, soybeans, sesame, groundnuts, cashews, and forestry.

While still focusing on the initial nine value chains, we want to highlight what the current situation is after 10 months of project implementation.

USAID AgriFUTURO has been working with the banana, pineapple, and mango value chains, and while they are still important value chains to target for their export potentials, the current varieties of pineapples and mangoes are not the right ones to fill the potential export market. Furthermore, we will not have time in the timeframe of the project to bring in new varieties and have them bear fruit in quantities for export. Instead, we will focus on improving the quality of current varieties through best practices, as well as on introducing different varieties more suitable to the export markets. Additionally, much of our work in these value chains also spills over into other types of fruits, which are often intercropped with our targeted value chains.

For these reasons, we propose combining the banana, pineapple, and mango value chains into an aggregate "horticulture" value chain. In this way, we can better account for impact by USAID AgriFUTURO.

Regarding the groundnuts, sesame, soya, and maize value chains, since they share many common characteristics, constraints and opportunities, we will often refer to them as the Oilseeds & Grains group, which will enable a broader analysis and design of interventions for these four value chains.

Oilseeds & Grains

Groundnuts

Groundnuts are an important staple crop in Mozambique but in particular as a cash crop in the north of the country. They are used for local consumption and to add nutritional value. Because of its high commercial value compared to maize, there is dynamic trade in groundnuts between the north and south, even with high transport costs. Regional and domestic markets are very competitive. South Africa is an important market, provided aflatoxins are controlled and buyers are confident that aflatoxins are not present. Other international markets, such as Europe, are promising, but Mozambique producers must first work to improve sanitary concerns, and best results may come from sales to target niche markets, such as the Fair Trade or organic markets.

The greatest constraint to increased competitiveness and sales are at the input supply phase of the value chain. As with other value chains, input supplies are not readily available and when available they are expensive or not the most appropriate. Controlling phytosanitary conditions and reducing transportation costs are additional challenges.

TABLE 1. SUMMARY OF THE GROUNDNUTS VALUE CHAIN ANALYSIS

Groundnuts	
New Market Potential	\$78m Domestic
Annual Sales	\$40m Exports
Potential Number of Families with Income Increases	45,000
Job Creation Potential	TBD
End Market Opportunities	Domestic and Regional: Consumption (low-medium grades) Export: Premium quality requirements and higher standards

<p>Input Supply & Access Constraints</p>	<ul style="list-style-type: none"> • The existing seeds in use have been degraded. • Lack of seeds that meet the yield and quality requirements for local and international markets. • Lack of seed inoculants that produce results under local conditions - inoculants can increase yield up to 25% and leave residue nitrogen to increase the yield of grain crops in the future. • Lack of quality seed in terms of germination and vigor at planting. This results in lower plant population lower yields. • No availability of low cost inputs, such as lime or foliar feed fertilizer, which would increase the size of the nuts. Foliar feed fertilizer increases yields and is insect and disease resistance.
<p>Production Constraints</p>	<ul style="list-style-type: none"> • Limited and non-commercial mechanized land preparation available, which would increase yields by conserving moisture and increasing root zone. • Producers lack experience in the use of low cost inputs or in the safe use of applying fertilizers with a backpack sprayer. • Little inter-planting of other crops, such as cashews.
<p>Commercialization & Domestic Trade Constraints</p>	<ul style="list-style-type: none"> • Sale/commercialization transaction costs, including transportation, are high due to lack of scale. • Lack of standardization and sorting. This leads to an “all is equal” system and does not give farmers an incentive to increase the quality of their production to obtain a higher price.
<p>Processing Constraints</p>	<ul style="list-style-type: none"> • Lack of large commercial de-shelling operations in northern Mozambique. • De-shelling and processing done by hand, which is an inefficient use of labor. • High time and labor requirements for processing reduce quantities purchased. • There is no processing system that can assure potential export customers that the product is below the stated limits for aflatoxin and other bio and chemicals contaminants.

Export Constraints	<ul style="list-style-type: none"> • Product often shipped in waterproof bags, increasing the risk of aflatoxin contamination. • There is no internationally certified food quality testing laboratory in northern Mozambique for testing groundnuts for quality and pathogens, especially aflatoxin. Samples of product are now sent to South Africa for testing, which costs about US\$100 per sample and takes up to 10 days. • No sustainable system to maintain Organic and Fair Trade certification. • Limited participation in international trade fairs and meetings. • No value added groundnut product produced that can be marketed at a higher price.
Inter-Firm Linkages Constraints	<ul style="list-style-type: none"> • Lack of organized producer organizations. • Poorly established linkages between producers and processors. • Producers do not understand market requirements and which yields will get the greatest price.
Enabling Environment Constraints	<ul style="list-style-type: none"> • Labor policies increase cost of labor-intensive processing. • Application of new cooperative law not yet in force.

Sesame

Due to its high international market value, sesame has been a popular crop with smallholders in northern Mozambique. Nonetheless, this value chain has not yet reached its potential. Demand for sesame is on the rise, but quality standards are also increasing. Like groundnuts, the sesame value chain's greatest constraint to growth occur at the input supply/access phase of the value adding process, and transportation costs for commercialization are high. Current varieties used are low-yielding and do not produce uniform color, an important consideration. Crops are often plagued by pests, such as the flea beetle and leaf roller.

TABLE 2. SUMMARY OF THE SESAME VALUE CHAIN ANALYSIS

Sesame	
New Market Potential Annual Sales	\$85m Exports
Potential Number of Families with Income Increases	20,000
Job Creation Potential	TBD

End Market Opportunities	Export: Global demand for high-quality sesame and sesame products is rapidly increasing. Global consumption is growing at approximately 6% annually. Local production could quadruple without over-supplying the market. Standards are increasing and becoming more rigorous with increased demand. Mozambique has potential to become one of the lowest cost producers of sesame in the world.
Input Supply & Access Constraints	<ul style="list-style-type: none"> • Treated seeds unavailable. • Lack of imidacloprid insecticides to control the sesame flea beetle. • Registered safe agrochemicals unavailable to farmers for use against flea beetle attacks. • Limited availability of lower cost foliar feed fertilizer; need to replace expensive granulated fertilizer.
Production Constraints	<ul style="list-style-type: none"> • Limited and non-commercial mechanized land preparation available which will result in increase yields by conserving moisture and increasing root zone. • Producers lack experience in the use of low cost inputs and the safe use of backpack sprayers to apply fertilizers.
Commercialization & Internal Trade Constraints	<ul style="list-style-type: none"> • Sale/commercialization transaction costs, including transportation, are high due to lack of scale. • Lack of standardization and sorting. This leads to an “all is equal” system and does not give farmers an incentive to increase the quality of their production to obtain a higher price.
Processing Constraints	<ul style="list-style-type: none"> • Lack of hulling facilities; most product currently exported raw to Asian markets. • Very little value added occurring in-country
Export Constraints	<ul style="list-style-type: none"> • Product is often un-sorted, simply bulked and shipped to Asian markets, leading to a low price. • Limited participation in international trade fairs and meetings • No value added sesame product produced that can be marketed at a higher price.
Inter-Firm Linkages Constraints	Little organization of producers.
Enabling Environment Constraints	Organic certification processes/systems lacking.

Soya

Soybeans are the world's second largest cash crop, but only three countries – the United States, Brazil, and Argentina – account for 90% of unprocessed exports. Biofuel initiatives have resulted in increased prices for soya, but diminished supply for traditional uses. Mozambique poultry producers require low-fat, pre-processed soybean meal that must not be genetically modified. As soybean production is still in its infancy in Mozambique, the overwhelming majority of soybean meal used by the local poultry industry is imported at high prices. There is a unique domestic opportunity for Mozambique's soybean value chain, including production and value added processing. Local demand for soya flour and value added soya products, such as soy milk, have rich nutritional value for local consumers, is increasing. Like the aforementioned value chains, inputs are costly or unavailable (such as appropriate seed varieties) and constrain production. Similarly, transport costs are high and there is little, if any, on-farm storage capacity. Access to investment capital is also a significant constraint to potential commercial operations.

TABLE 3. SUMMARY OF THE SOYA VALUE CHAIN ANALYSIS

Soya	
New Market Potential Annual Sales	\$15m Domestic (for import substitution)
Potential Number of Families with Income Increases	50,000
Job Creation Potential	TBD
End Market Opportunities	Domestic: Local livestock/poultry producers/processors and feed processors for growing domestic poultry market/human, consumption and SME millers
Input Supply & Access Constraints	<ul style="list-style-type: none"> • Uncertainty of which varieties to use, especially in Manica Province. • Little, if any, input financing available.
Production Constraints	<ul style="list-style-type: none"> • Planting time constraints; timing must be precise for crop to succeed. • Manage pests and assuring plant height is appropriate to resist pests. • Irrigation may be necessary, especially to secure production financing.
Commercialization & Internal Trade Constraints	<ul style="list-style-type: none"> • Still in early stages. • Commercialization is needed for feed processors and millers.
Processing Constraints	<ul style="list-style-type: none"> • Exceptional potential for feed and milling, but untapped. • Processors require investment and capital financing.

Export Constraints	Exporting soya is not a primary objective at this time.
Inter-Firm Linkages Constraints	<ul style="list-style-type: none"> • Dispersion of the production zones imply better organization of the value chain participants in order to not exclude any player in the chain. • Production contracts not enforced. • Weak organizational capacity of the farmers. • Lack of intelligence market information system.
Enabling Environment Constraints	<ul style="list-style-type: none"> • Limited transportation to processing facilities. • Cross-border price distortion.

Maize

Demand for maize products is increasing in Mozambique and in countries regionally. The greatest opportunities are for high-protein maize feed for the growing domestic poultry sector. Southern Mozambique is a net importer of maize and could be a strong market for maize produced in northern Mozambique, if transportation costs are controlled. Regionally, Malawi and Zambia are large markets for maize, with Malawi importing around 90% of its consumption from Mozambique. It is estimated that only 4% of producers have access to regular input supplies, and storage facilities are not readily available or of high quality. As with groundnuts, aflatoxin contamination is a concern. Milling is a service that is in great demand. Although milling is a relatively easy process, equipment is unavailable and fuel and energy costs to run mills can be price inhibitive.

TABLE 4. SUMMARY OF THE MAIZE VALUE CHAIN ANALYSIS

Maize	
New Market Potential Annual Sales	\$10 m Domestic
Potential Number of Families with Income Increases	200,000
Job Creation Potential	TBD
End Market Opportunities	<p>Regional: Regional markets, such as Malawi and Zambia, have high demand but variable production. Malawi is still dominant on maize total imports from Mozambique. For instance, from April 2008 to February 2009 Malawi accounted for 73 percent of exports through informal cross-border trade (FEWSNET).</p> <p>Domestic: There is local demand for high-protein maize for livestock/poultry feed.</p> <p>Export: Potential international markets for white maize.</p>

Input Supply & Access Constraints	<ul style="list-style-type: none"> To increase availability of certified seeds, need to work with research institutes, such as <i>Instituto de Investigação Agronómica de Moçambique</i> (IIAM). Lack of input services providers.
Production Constraints	<ul style="list-style-type: none"> Limited access to mechanization equipment. Lack of credit pre- and post- production. Lack of appropriate technology for production associated with existing and weak extension services and research. Lack of enforcement of farmers' contract (see crosscutting issues). Lack of knowledge of the quality standards.
Commercialization & Internal Trade Constraints	Storage practices are poor and aflatoxin levels can be high.
Processing Constraints	Milling is in high demand but fuel/energy costs unnecessarily increase milling costs.
Export Constraints	<ul style="list-style-type: none"> Quality is still an issue (mixed varieties). Low prices at international market, so there is no incentive to export.
Inter-Firm Linkages Constraints	<ul style="list-style-type: none"> Need for increased horizontal linkages among producers. Weak vertical linkages with producers and processors.
Enabling Environment Constraints	<ul style="list-style-type: none"> Limited availability of aflatoxin testing facilities. Lack of awareness of different types of trade taxes and impacts.

Forestry

The forestry sector employs approximately 200,000 people (excluding charcoal, fuel- wood, and village based hand-sawing for timber). Mozambique has several hardwood species that are highly sought after in Asian and Middle Eastern markets. Currently, most exports are unprocessed logs and little value is added in-country. Native forests are being exploited and plantation forestry is in its infancy. By far, the greatest constraints to the forestry value chain arise from the country's enabling environment and forestry sector policies (e.g., land use, concessions, licensing, environmental management, etc.). Additionally, there are significant potential economic benefits that should be flowing to the communities surrounding centers of forestry activities.

TABLE 5: SUMMARY OF THE FORESTRY VALUE CHAIN ANALYSIS

Forestry	
New Market Potential Annual Sales	\$10,000 m (exports starting from 2013)

Potential Number of Families with Income Increases	10,000 (annual)
Job Creation Potential	1,500- 3,000
End Market Opportunities	Export (and limited domestic): International wood products consumers (Asia and Middle East). Focus on commercial plantations to develop the pulp, paper and wood industries, and native forest to develop higher value added products (e.g., furniture, conservation, tourism).
Input Supply & Access Constraints	<ul style="list-style-type: none"> • Sustainable management of native forests must be improved – actual deforestation rate is approximately 2% per year. • For commercial plantations, the basic inputs for nursery development are not readily available – seeds, fertilizer, pesticides, plastic bags, vases, etc. • Land access is a major constraint to commercial operations. • Water access is unreliable.
Production Constraints	<ul style="list-style-type: none"> • Fire management techniques and equipment are lacking. • Cutting techniques and equipment must be upgraded.
Commercialization & Internal Trade Constraints	Transportation costs are high.
Processing Constraints	Electricity access is unreliable.
Export Constraints	Nacala port has excellent natural conditions but needs significant upgrading.
Inter-Firm Linkages Constraints	Few mechanisms currently exist to integrate smallholders into the local forestry value chain.
Enabling Environment Constraints	<ul style="list-style-type: none"> • Land use rights (DUAT) process opaque and overly complex. • Labor policies restrictive and inhibit large investments.

Horticulture

Similar to the oilseeds and grains value chains presented above, AgriFUTURO grouped three tropical fruit value chains – banana, mango and pineapple – together based on common opportunities and challenges.

Banana

Mozambique has the potential to be a major supplier of bananas to high-demand markets in the European Union, Middle East and some Asian countries. Currently, Mozambique enjoys tariff benefits if they export to Europe, although the competitiveness of Mozambican bananas may be eroded if the Europe Union grants Latin American countries similar benefits in the future.

Mozambique’s potential markets have high quality and uniformity standards that require production to be highly organized and coordinated. At present, production is small-scale and significant investment is needed to increase and improve production in-line with market requirements. As with other agricultural products, inputs are costly in Mozambique. The banana sector also has important post-harvest infrastructure needs – pack houses and cable technology to safely transport bananas from growing areas to cleaning and processing areas. Success of the sector depends on the ability of Mozambique to attract an “anchor firm,” or major investor, that can develop and manage out-grower schemes with small holders.

TABLE 6. SUMMARY OF THE BANANA VALUE CHAIN ANALYSIS

Banana	
New Market Potential Annual Sales	\$105-130m Exports (annual)
Potential Number of Families with Income Increases	TBD
Job Creation Potential	36,000
End Market Opportunities	Export: Consumers in EU and increasing demand in Middle East; potential opportunities in Asia. EU tariff re-negotiations with Latin American countries may reduce competitiveness of Mozambican bananas to EU. Consumers in these markets generally consume one variety, but niche opportunities may exist for specialty varieties, although limited. High demand for consistency of quality and volume. Market has demanding uniformity standards (size, shape, etc.)
Input Supply & Access Constraints	<ul style="list-style-type: none"> • Increased available of appropriate banana varieties. • Improve site identification process to identify land with appropriate access to water, electrical resources and soil quality. • Fertilizer and chemical sprays are most expensive in Mozambique.
Production Constraints	<ul style="list-style-type: none"> • No tradition of plantation farming (post-independence). • Lack of skilled human resource base for banana plantation farming.
Commercialization & Internal Trade Constraints	High transportation costs, increasing final cost of product and significantly reducing competitiveness.
Processing Constraints	Lack of post-harvest facilities, such as ripening and packing facilities.

Export Constraints	Significant training on SPS issues and export requirements required.
Inter-Firm Linkages Constraints	<ul style="list-style-type: none"> • No existing local model for banana outgrower-type schemes. • Rigorous handling and consistency requirements make outgrower schemes difficult to manage.
Enabling Environment Constraints	<ul style="list-style-type: none"> • Land access is problematic for large-scale plantations. • Labor regulation restrictions inhibit large foreign investments. • Lack of appropriate investment capital.

Mango

Mozambique potentially can service mango markets in profitable South Asian, Middle Eastern and South African markets. The country could benefit from the fact that it can produce mango at least two months earlier than producers in South Africa and provide off-season mango production to South Asian countries. However, these markets require varieties that are not currently in production in Mozambique. Additionally, much attention has been paid to recent outbreaks of fruit fly that have severely restricted exports and reflected negatively on Mozambique's reputation as a fruit producer.

TABLE 7. SUMMARY OF THE MANGO VALUE CHAIN ANALYSIS

Mango	
New Market Potential Annual Sales	\$200 m Exports
Potential Number of Families with Income Increases	TBD
Job creation potential	80,000
End Market Opportunities	Export off-shore and some regional: Currently producing for regional markets, but more profitable opportunities exists for counter-season markets in large mango consuming countries, such as India. Middle East and South Asia are largest consumers of mangos. High demand for consistency of quality and volume. Market has demanding uniformity standards (size, shape, etc.), except of consumers of processed mango (such as fruit salad).
Input Supply & Access Constraints	Basic inputs (fuel for irrigation systems, agrochemicals, etc.) are very costly.

Production Constraints	<ul style="list-style-type: none"> • Lack of production management skills and extension services. • Varieties currently produced are not the same varieties consumed in Asian markets that Mozambique could service off-season. • Irrigation costs are high.
Commercialization & Internal Trade Constraints	<ul style="list-style-type: none"> • Packing, grading and other post-harvest facilities and services are limited or do not exist. • Local transportation costs are prohibitive.
Processing Constraints	Product requires little processing as they are often shipped in bulk to outside processors for cutting and processing into fruit salad.
Export Constraints	SPS issues related to mangoes, which must be treated before exported.
Inter-Firm Linkages Constraints	<ul style="list-style-type: none"> • Limited inter-firm linkages to-date. • Out-grower schemes could be appropriate and would increase incomes.
Enabling Environment Constraints	Policy/regulatory constraints (such as taxes) increase cost of transportation.

Pineapple

Mozambique has ideal climatic conditions to produce in-demand varieties of pineapple, particularly for South African and Middle East markets. However, currently cultivated varieties do not meet market demand and producers will need to acquire appropriate planting materials for the MD2 variety. Significant investment in the value chain is required at production, processing and commercialization levels. Similar to the banana value chain, the sector would benefit from significant investment by a large, international investor with established marketing channels.

TABLE 8. SUMMARY OF THE PINEAPPLE VALUE CHAIN ANALYSIS

Pineapple	
New Market Potential Annual Sales	\$100m Exports
Potential Number of Families with Income Increases	TBD
Job creation potential	8,000

End Market Opportunities	Mostly export: Immediate export opportunities in South Africa. Middle East markets can be easily served by Mozambique with appropriate production/processing/commercialization upgrading. Potential markets in Europe for value-added pineapple products (e.g., sliced/cut, canned, etc.). High demand for consistency of quality and volume. Market has demanding uniformity standards (size, shape, etc.). Chiquita and Dole are exploring local production to supply Mid-East and Former Soviet Union states. In general, the MD2 variety is the preferred product.
Input Supply & Access Constraints	Lack of appropriate planting material for pineapple – initial MD2 variety tests have been positive, but additional trials underway in various sites to confirm results.
Production Constraints	<ul style="list-style-type: none"> • Limited current production; to service the target markets, correct varieties must be used. • Current production technologies not appropriate for large-scale export-orientated pineapple production.
Commercialization & Internal Trade Constraints	Product difficult to sell in bulk without commercial contracts and sales volumes of fresh fruit are lower than other fruits.
Processing Constraints	No processing options at this time; sale of fresh fruit is the only option.
Export Constraints	Conservation and storage standards (cooling rooms) need to exist.
Inter-Firm Linkages Constraints	<ul style="list-style-type: none"> • Limited inter-firm linkages to-date. • Out-grower schemes could be appropriate and would increase incomes.
Enabling Environment Constraints	Cross-border trade constraints with South Africa, including phytosanitary standards.

Cashew

Over the past several years, Mozambique's cashew industry has attracted much attention from donors, and great strides have been made despite the sector's tumultuous past. The competitiveness of the value chain has improved in recent years, but several constraints remain. In order to service market demand, cashew producers must increase production volumes and quality. Cashew trees are aged and are not as productive as trees in countries competing with Mozambique. Additionally, in-country value added processes are not as high as they could be due to low labor productivity in processing facilities.

TABLE 9: SUMMARY OF THE CASHEW VALUE CHAIN ANALYSIS

Cashew	
New Market Potential Annual Sales	\$100m Domestic/Export
Potential Number of Families with Income Increases	94,000
Job creation potential	10,000
End Markets	World-wide growth of market demand is projected at 8% per year for at least the next 8-10 years. Europe is Mozambique's most natural market and is the market with the most growth potential.
Input Supply & Access Constraints	Trees are old and of poor quality; replanting program required.
Production Constraints	<ul style="list-style-type: none"> • Production levels need to increase at least to pre-crisis levels of close to 240,000MT/year. • Production quality is not high enough to maximize economic benefits.
Commercialization & Internal Trade Constraints	Little, if any, risk mitigation tools available to protect against price and exchange rate fluctuations or other trading risks.
Processing Constraints	<ul style="list-style-type: none"> • In-country processing of raw nuts is increasing, but remains low. • Productivity is low in processing facilities.
Export Constraints	<ul style="list-style-type: none"> • Quality standards should be harmonized across processing facilities and producers. • Broader marketing plans are needed.
Inter-Firm Linkages Constraints	Producer groups should be formalized and expanded.
Enabling Environment Constraints	<ul style="list-style-type: none"> • Export tax on raw nuts reduces processing incentives and reduces income to small producers. • Labor policies restrict productivity.

In summary, all nine commodities face growing demand in markets that are accessible to Mozambican producers. For most of the selected value chains, the growing economies of the Middle East and Asia present lucrative markets with rapidly growing demand that could be satisfied by Mozambican products. These conditions offer new opportunities for Mozambique to expand its production and export of these products. In Mozambique's domestic market, there are increasing opportunities for soybeans and maize to be marketed and sold as substitutes for imported products (especially feed grains).

However, there are a number of consistent weaknesses across value chains. A prime constraint is access to finance, which is uniformly lacking across the selected value chains, along with a dearth of appropriate financing instruments. Other challenges include: a need for improved seed and varieties; human resources capacity; advanced age of trees/plants; lack of appropriate disease control; packaging; and the lack of processing services. Lastly, while there are some examples of demonstrated transaction-based vertical linkages, such as contract farming, there are few systematic, well-developed linkages between input sellers, traders, processors, or retailers.

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. The current portfolio of Mission activities compliment USAID AgriFUTURO well and the project will leverage past and current USAID investments in the sector, such as:

Food for Peace Title II Multi-Year Assistance Programs (MYAPs). These projects will focus on food security, crop production (particularly staples, including grains), and market linkages. USAID AgriFUTURO coordination and integration with the MYAPs will focus on integrating MYAP-assisted farmers and enterprises into the project's target value chains, by facilitating linkages between MYAP-assisted clients and USAID AgriFUTURO-assisted clients. This includes building linkages between MYAP counterparts and USAID AgriFUTURO-assisted BDS providers (especially input suppliers), Farmer-Owned Service Centers (FOSCs), and Agribusiness Service Clusters (ASCs).

Trade and Investment Project (TIP). The objective of TIP is to support the creation of supportive enabling environment for private sector and trade development. USAID AgriFUTURO will leverage TIP's existing relationships to quickly engage stakeholders, particularly in the area of enabling environment reform. The Trade and Investment Project also supports the Ministry of Industry and Commerce (MIC) and the Institute for Export Promotion (IPEX) in areas that potentially overlap with USAID AGRIFUTURO. For example, TIP is currently supporting IPEX's capacity to promote exports, many of which are agribusiness products. The USAID AgriFUTURO program will serve as a link between national-level competitiveness reforms supported by USAID/TIP and USAID AgriFUTURO-supported agribusinesses and local economies in Northern Mozambique. The follow-on to TIP is being competed now. AgriFUTURO will establish appropriate linkages to the new project upon contract award.

Strengthening Communities through Integrated Programming (SCIP). The objective of this Cooperative Agreement is to strengthen rural communities in Nampula and Zambézia provinces. The SCIP program focuses on improved health services, practices, and structures but also on food security, improved agricultural production technologies, and market linkages. As with the MYAP program, USAID AgriFUTURO will work with SCIP implementers to integrate the program's counterparts and clients into USAID AgriFUTURO-assisted value chains, share information on market opportunities, facilitate technology transfer, and build linkages with agribusiness development services providers.

Coordinating with Other Donor-funded Projects in Mozambique

Presently there are several somewhat similar projects going on within the areas targeted by AgriFUTURO. To avoid overlapping or duplication of efforts and funds AgriFUTURO has approached some of them in order to jointly define areas of intervention to complement each other to take advantage of the synergies generated by them.

To date, AgriFUTURO has been working with SNV, a Dutch organization, and ADIPSA, a Danish organization, both of which focus on agribusinesses in the Beira and Nacala corridors. We have also worked with BAGC (the Beira Agriculture Growth Corridor), a consortium targeting the Beira corridor to develop infrastructure programs. AgriFUTURO has also been approached by the Swiss Cooperation to discuss collaboration in implementing their program. Further agreements are also envisaged with other programs with similar targets, such as ACi for cashew replanting in northern Mozambique, which is implemented by GTZ.

II. DESCRIPTION AND SCHEDULE OF PROJECT ACTIVITIES BY COMPONENT

This section describes the activities that will be implemented by USAID AgriFUTURO in the period covering May 1, 2010 through September 30, 2010, by project component, as identified in the Task Order. A detailed calendar of activities, organized by component, is also included.

COMPONENT 1: IMPROVE THE ENABLING ENVIRONMENT FOR AGRIBUSINESS

Mozambique's private sector enabling environment has been undergoing reform for many years, with support for other USAID-funded activities such as the Trade and Investment Project (TIP) and the forthcoming Support Program for Economic and Enterprise Development (SPEED) Project. 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 recognized the need to speed up enabling environment reforms at all levels. Donor-funded assistance and indices, such as the World Bank's "Doing Business" survey, has raised awareness and built momentum for reform. However, the GoM and agribusiness sector lack a broad, long-term vision for competitiveness and an agenda to guide enabling environment reforms. Private sector capacity to articulate and advocate for enabling environment reforms is increasing but is limited in the rural sectors. The agribusiness sector will benefit greatly from an increased and improved stakeholder base to articulate and lead the agribusiness enabling environment reform agenda.

Presidential and parliamentary elections were held in Mozambique on October 28, 2009. During general election years, it is difficult to persuade lawmakers to focus on enabling environment reforms until they are less distracted from campaigning and positioning themselves for re-election. Therefore, the project used the period between May and October 2009 to focus on developing stakeholder advocacy capacity, completing policy analytical work and facilitating reform agendas among the project's target value chains.

Component 1 is comprised of 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 a national competitiveness reform agenda

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. The project will work to strengthen the capacity of existing private sector organizations and associations to represent the agribusiness sector and will facilitate the development of new, integrated value chain associations to enable a value chain-

led enabling environment reform process. Value chain-led reform agendas will be developed and implemented with project support.

Developing integrated value chain associations. During the period from May to September 2010, AgriFUTURO will continue to focus on developing integrated value chain associations that include stakeholders from all value chains levels (e.g., production, processing, inputs and marketing) in cases where no such association exists. This approach 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 (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.

Value chain associations will serve important functions beyond advocating for 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. This initiative will begin focusing on the Cashew and Fruits business Associations and will later spread to grains and oilseeds value chains.

Developing Value Chain Competitiveness Strategies and Action Plans. As part of the project's work in Year 1, AgriFUTURO developed Value Chain Competitiveness Strategies and Action Plans that will now be implemented in coordination with value chain associations. Value Chain Competitiveness Strategies and Action Plans provide a roadmap for moving the target value chains (sectors and sub-sectors) toward higher, sustained rates of growth and will not be plans for solely helping individual firms become more profitable. These strategies will not restrict the project from working with individual enterprises; AgriFUTURO may work with a limited number of firms that are willing to invest in order to create a demonstration effect for other firms in the chain.

These Strategies and Action Plans are working documents that include:

- A competitiveness assessment of the value chain, including identification of end-markets and value chain stakeholders, input suppliers and investors;
- A long-term competitiveness vision for the value chain;
- A prioritization of constraints to taking advantage of identified market opportunities, including needed enabling environment reforms, production and processing technologies, marketing services, financing and credit and others;
- Principal activities and steps for upgrading the value chains, including required enabling environment reforms and stakeholder outreach; and,
- Primary AgriFUTURO technical assistance activities.

The Action Plans will serve as the project's road maps for technical assistance to each value chain and will include activities from each of the project's four components.

As part of this work plan, a national dissemination workshop will be held to guarantee that the stakeholders of each value chain are aware of the value chain competitiveness strategies and action plans and to obtain their buy-in.

Strengthening and expanding existing organizations. In addition to developing new integrated value chain associations, the project will strengthen existing local organizations that represent stakeholders in the target value chains and geographic areas. Examples of these organizations include:

- Well-established value chain associations, such as AICAJU in the cashew sector;
- Geographically focused organizations in the Beira corridor, such as the Commercial and Industrial Association of Sofala (ACIS); and,
- Producer's organizations and associations of smaller entrepreneurs in the Nacala corridor, including member-owned companies such as IKURU.

In the period of this work plan, the project team will continue working with existing organizations to identify additional enabling environment constraints and develop, test, and promote practical solutions. AgriFUTURO will help to build the capacity of these organizations to better represent their current constituents and, in some cases, to broaden their membership base. The project will particularly focus on the establishment of value chain business associations and in their integration into a national federation as umbrella to facilitate the national dialogue. For example, we will work to replicate FRUTISUL's model to help establish new associations in central and northern Mozambique and will work with AICAJU to enlarge their representatives along the value chain. The objective of the project's work with these organizations will be to enhance their capacity to advocate for enabling environment reforms at the provincial and local levels. When appropriate, the project will facilitate the integration of value chain associations into the associations' constituent bases.

Building the capacity of the Confederation of Business Associations (CTA). As mentioned earlier, CTA has benefited from long-term and on-going USAID assistance and capacity building. AgriFUTURO views CTA as an important ally for enabling environment reform of the agribusiness sector. The objective of AgriFUTURO's assistance in this area is to broaden CTA to better represent segments of Mozambique's rural economy and agribusiness sector so that urban-based, large commercial interests do not dominate and distract the reform agenda and dialogue. In the period of this work plan, AgriFUTURO will continue supporting the development and professionalization of the CTA agriculture portfolio and sub-national committees focused on northern Mozambique. To ensure that CTA will be represented in larger segments of the rural economy, AgriFUTURO will work with Business Associations to reinforce their structure at Regional and Provincial levels. Project activities to benchmark Mozambique's agribusiness enabling environment will be closely coordinated with CTA and will leverage CTA's existing resources, such as the agricultural working group (described further in Activity 1.2).

Establishing a Program Advisory Committee. Senior project staff will continue working with the USAID/Mozambique team to establish an advisory committee to guide AgriFUTURO on project direction and work planning. Another important objective of the Program Advisory Committee (PAC) is to provide a forum in which to engage the GoM on enabling environment reform initiatives. AgriFUTURO will use the PAC as one mechanism to involve government in

the policy dialogue process. 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. In order to keep the PAC agile and productive, membership will be restricted but will be backed by geographical forums – one in the Nacala corridor and another in the Beira corridor. They will be open participatory forums composed of value chain stakeholders, government entities, business associations, development agencies, financial institutions and other interested parties. Quarterly and/or semi-annual reporting information will be shared with both the PAC and regional forums.

Facilitating an agenda for value-chain-led reforms. Using the Value Chain Competitiveness Strategies and Action Plans, AgriFUTURO will facilitate the development of enabling environment reform agendas for each value chain. These agendas will be fully owned and managed by the value chain associations with support from other organizations, such as CTA. The reform agendas will be included in the Value Chain Competitiveness Strategies and Action Plans and updated annually. The AgriFUTURO project will provide support for the development of the agendas that may include:

- Facilitating intra-stakeholder dialogue;
- Identifying policy and regulatory constraints through stakeholder workshops, drawing on analysis already conducted; and,
- Providing policy research, including evidence-based information, both pro and con, once a policy change idea is identified.

Support for advancing select policy issues. The project will support the advancement of select policy issues identified by the Value Chain Competitiveness Strategies and Action Plans by:

- Working with private agribusinesses, entrepreneurs, private sector associations and organizations in AgriFUTURO targeted geographic provinces and districts to identify policy reform needs;
- Building the capacity of the private sector to articulate policy reform priorities and advocate for reform support from local government leaders;
- Facilitating the development of a national competitiveness reform agenda; and,
- Providing technical assistance for policy reform, such as by preparing policy reform proposals, developing skills in such areas as stakeholder analysis, group facilitation and public private dialogue, and identifying international best practices and models.

Our overall approach to promoting reform will be to build the skills at the grassroots for more 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. We will also work to build the capacity of local representatives to promote reform, either through national level advocacy organizations such as CTA, ASCs and FOSCs and other similar organizational structures, regional associations such as ACIS, or through local and provincial government leaders. As needed, we

will provide technical assistance to private sector advocacy groups to develop policy reform proposals and identify best practices.

Activities include organizing seminars in partnership with local business associations in selected districts in northern Mozambique to discuss local level policy measures to promote investment and trade. These proposals would target district administrators and local leaders. These seminars may also be organized based on an evaluation of a specific district's business environment and the seminar would present findings and discussions to local government leaders and the private sector. Topics discussed at the seminars would include policy barriers at both the local and national level. These discussions would inform local government leaders who could then articulate a similar message for reform at the national level.

To further support selected policy initiatives, the project will utilize budget resources for purchased services, or short-term specialized contracts with local legal and regulatory experts. Under purchased services funding, the project will procure specialized expertise to undertake analysis of a policy or policies identified by the project, 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 specific dialogue-oriented meetings by (a) helping set goals; (b) developing participant lists; (c) drawing out participation; and (d) keeping on track to goal;
- Arranging technical training when needed (e.g., 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.

Activity 1.2: Develop a National Competitiveness Strategy

Under this activity, AgriFUTURO will seek to facilitate the GoM's development of an integrated strategic vision for reforming Mozambique's business enabling environment to improve competitiveness. This will be a long-term, carefully planned activity in order to build consensus and secure buy-in from various governmental institutions and various levels of government. In this work plan, the project will aim to:

- Review current sectoral strategies to identify synergies and conflicts;
- Hold a workshop to discuss findings of the review and get a consensus on the methodology for national competitiveness strategy;
- Revise the scope of work for the national competitiveness strategy assessment based on the recommendations drawn from the document review; and,
- Prepare a draft concept paper on a national competitiveness strategy to spur discussion among GoM stakeholders.

The tasks to achieving this activity are described below.

Reviewing existing sector and other GoM strategies. Over the past year, the Mozambican government prepared various sectoral strategies such as the “Strategy for the Business Enabling Environment in Mozambique”, *Estratégia da Revolução Verde* (Green Revolution); *Política e Estratégia Industrial* (Industrial Policy and Reform) for the industrial sector, including agro-industry, that was issued by the Ministry of Industry and Commerce; and a strategy for Southern African Development Community (SADC) regional integration. Additionally, the Ministry of Agriculture is currently finalizing a “Strategic Plan for Development of the Agricultural Sector” (known by its Portuguese acronym, PEDSA). The project team will review these plans to identify synergies, potential conflicts and gaps.

Develop draft concept paper for USAID "Thoughts on a National Competitiveness Strategy". The project team, lead by the Chief of Party, will develop a draft paper that outlines the project’s recommendations and suggestions for a National Competitiveness Strategy focused on the agricultural sector. These recommendations will be based on findings from the review of existing strategies, the Value Chain Competitiveness Strategies (and particularly the competitiveness assessments of the value chains), and feedback from local stakeholders such as those identified in Activity 1.1, including the PAC. The paper will be shared with the PAC, GoM counterparts and the international donor community, as directed by USAID. The purpose will be to spur discussion among the various stakeholders and begin to develop consensus regarding the way forward.

Preparing an agribusiness enabling environment benchmarking assessment based on USAID’s “Doing Agribusiness” model. AgriFUTURO will collaborate with government policy and technical experts to conduct an agribusiness competitiveness assessment. This assessment will be conducted based on recommendations drawn from the abovementioned document review. The assessment, which will be based on USAID/EGAT’s “Doing Agribusiness” methodology, which will benchmark Mozambique’s enabling environment, and will follow the terms of reference developed from the recommendations of the document review and stakeholders consultation. It will also serve as a diagnostic tool to identify competitiveness and constraints. Project experts will compare survey results for specific indicators in Mozambique with those in sample SADC countries. This comparison will provide further information about Mozambique’s regional competitiveness and help identify areas where improvements could have the greatest impact. The results will serve as a tool for promoting dialogue and constituency-building and for developing a national competitiveness strategy. The results will also be used to validate suggestions and recommendations made in the draft concept paper mentioned above.

Activity 1.3: Develop a National Competitiveness Reform Agenda

Working with the CTA and PAC, we will develop a national competitiveness reform agenda and action plan to address the constraints identified in the “Doing Agribusiness” assessment. Under Activity 1, AgriFUTURO will focus on value-chain-led enabling environment reforms. However, there are numerous reforms needed that are not specific to any one value chain, but that impact the agriculture sector as a whole. The competitiveness strategy formulation process, and particularly the “Doing Agribusiness” assessment discussed in Activity 2, will generate an agenda of broad reform items, such as land access policy and procedures, modernization of the export taxes, labor policies and VAT reimbursement procedures. This activity will be closely

coordinated with other USAID programs, such as the forthcoming SPEED, to leverage resources and avoid duplication.

The focus of this activity in this work plan will be to develop an initial working agenda and build consensus for it, particularly through the PAC and CTA's Agriculture Working Group and Northern Mozambique branches.

TABLE 10. COMPONENT 1 OUTPUTS AND COUNTERPARTS

Outputs	Counterparts
Activity 1.1: Developing a stakeholder base for change	
At least 3 Value Chain Business Associations within horticulture, cashew sectors and/or forestry	Value Chain Business Associations, ACIS, ACIANA, Program Advisory Committee
At least two policy reform analysis reports	
Initial Agenda of Value Chain Enabling Environment Reforms	
Project Advisory Committee (PAC) quarterly meetings	
CTA Agriculture Working Group work plan	
Activity 1.2: Developing a national competitiveness strategy	
Findings report of the review of existing sector policies and strategies	Ministry of Agriculture, Ministry of Industry and Commerce, Ministry of Planning and Development, Confederation of Business Associations, and others as determined
Draft concept paper "Thoughts on a National Competitiveness Strategy"	
Activity 1.3: Developing a national competitiveness reform agenda	
Model for the forestry business association developed	Ministry of Agriculture, Ministry of Industry and Commerce, Ministry of Planning and Development, Forestry Companies, Confederation of Business Associations, Value Chain Business Associations and others as determined
Cashew 5 year master plan II	
Summary report of stakeholder recommendations for enabling environment reforms based on benchmarking assessment	
First draft of agribusiness enabling environment reform agenda	
Matrix of infrastructures constraints in Nacala and Beira Corridors developed	
Project awareness and communication materials produced and website established	
Hold the two international conferences for Fruits and Cashew	

TABLE 11. COMPONENT 1 SCHEDULE¹

Component 1: Improve the Enabling Environment for Agribusiness						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Activity 1.1: Develop a Stakeholder Base for Change						
National dissemination workshops to guarantee ownership of Value Chains Strategy and Action Plans						EED and VCLs
Identify existing business associations					C	EED and VCLs
Identify opportunities for integrated VC business associations					C	EED and VCLs
Identify potential members for integrated VC business associations					C	VCLs
Facilitate development of integrated VC business association model and validate it with stakeholders						EED
Facilitate forums to bring integrated VC business associations together					C	EED and VCLs
Assist with legal registration of identified integrated VC business associations					C	VCLs
Facilitate the design and implementation of capacity building plans for integrated VC business associations					C	EED and VCLs
Establish AgriFUTURO PAC with GoM members and reps of stakeholder groups						COP and EED
PAC meets quarterly					C	COP
Work with integrated VC business associations to identify additional enabling environment concerns and implement practical solutions					C	EED
Build the capacity of CTA to better represent broader segments of Mozambique's rural economy					C	COP with EED
Provide technical assistance to CTA agribusiness working groups on policy advocacy					C	COP with EED

¹ "C" indicates that the activity will continue

Component 1: Improve the Enabling Environment for Agribusiness						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Provide technical assistance to CTA to strengthen regional representation and membership					C	COP with EED
Activity 1.2: Develop a National Competitiveness Strategy						
Recruit local consultant to undertake the review of existing sectoral and other GoM strategies						EED
Hold a workshop to discuss findings of the review and get a consensus on the methodology for the national competitiveness strategy assessment						EED
Revise Scope of Work for Regional Competitiveness Assessment						EED
Develop draft concept paper for USAID "Thoughts on a National Competitiveness Strategy"						EED
Recruit team to conduct the assessment, undertake and receive report					C	EED
Activity 1.3: Develop a National Competitiveness Reform Agenda						
Recommend an agenda of key enabling environment reforms based on VC action plans and strategies					C	COP with EED
Work with CTA regional branches and sector representatives to promote national reform agenda					C	COP with EED
Working with consultative groups, identify specific studies and issues with respect to labor and land issues and other high level reforms					C	EED
Follow up on the Nacala port study					C	EED
Support the dissemination of the new cooperative law and regulations					C	EED and VCLs
Assist existing farmer organizations convert into legal cooperatives					C	EED and VCLs
Provide assistance to the farmers' organizations to advocate for enabling environment reforms related to creating and enforcing purchasing contracts					C	EED and VCLs
Identify market information providers and develop market information system in collaboration with other value chain to improve stakeholders capacity to compete					C	M&E with EED
Analyze land law and identify gaps					C	VCLs

Component 1: Improve the Enabling Environment for Agribusiness						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Facilitate the incorporation of land use rights into district territorial plans, as required working with MCC + MCA and other entities.					C	VCLs
Recommend adoption of management mechanism on DUAT (land use right) to prevent land use conflict in large concession areas					C	EED and VCLs
Assist farmers' organizations to obtain DUAT (land use right)					C	VCLs
Tailor existing maps (GIS) to include value chain development areas targeted by AgriFUTURO					C	EED and VCLs
Develop a matrix of infrastructure constraints within Nacala and Beira corridors						EED and VCLs
Facilitate market certifications for producers organizations					C	BDSD, EED and VCLs
Increase awareness of simplified tax for small business					C	EED and Communications Specialist
Collaborate with the tax authorities to develop a campaign to encourage the registration of producers as tax payers (NUIT)					C	EED and VCLs
Facilitate the development of awareness campaigns to educate stakeholders on taxation responsibilities					C	EED and Communications Specialist
Facilitate training seminars on labor law compliance					C	EED, Communications Specialist and VCLs
Facilitate awareness on seminars on environmental issues (e.g., pesticides certification in Mozambique and compliance with USAID regulations)					C	VCLs
Coordinate the design and establishment of the institutional website and newsletters with focus on value chains						Communications Specialist
Write and distribute value chains success stories through partners' network					C	Communications Specialist
Produce and distribute value chain communication and outreach materials					C	Communications Specialist
Conduct press conferences with national press community to brief on value chain and USAID AgriFUTURO					C	COP and Communications Specialist
Activity 1.3: Develop a National Competitiveness Reform Agenda						

Component 1: Improve the Enabling Environment for Agribusiness						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Implement Enabling Environment activities from the value chain competitiveness strategy and action plans						
<i>Forestry Value Chain:</i>						
Hold Individual meetings with existing and new forestry companies						Forestry VCL
Facilitate the development of a model for the Forestry Business Association						Forestry VCL
Facilitate roll-out and management of the Forestry Business Association Model					C	Forestry VCL
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 VCL
Facilitate linkages with other value chain stakeholder and NGOs to secure funding for Forestry Business Association regarding conservation forestry initiatives, such as: cleaning development mechanisms (CDM), UN-REDD mechanism and support the forestry industry project from DNTF					C	Forestry VCL
<i>Horticulture Value Chain:</i>						
Support the International Fruits Conference						EED
Identify quality standards to meet market requirements					C	EED and Fruit VCLs
Facilitate pilot programs to implement quality standards systems					C	Fruit VCLs
<i>Fruit Fly:</i>						
Provide technical assistance and capacity building to MINAG-DSV for the fruit fly surveillance program in Beira and Nacala corridor					C	EED and VCLs
Facilitate liaison between appropriate agencies of the GRM and neighboring countries regarding the fruit fly monitoring programs					C	EED
Facilitate the development of procedures to mitigate risks associated with fruit fly outbreaks, e.g., post-harvest procedures.					C	EED
<i>Cashew Value Chain:</i>						
Support the development of the National Cashew Master Plan						EED and COP

Component 1: Improve the Enabling Environment for Agribusiness						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Coordinate with relevant stakeholders to ensure compliance with national commercialization procedures					C	VCL
Provide assistance to continue introduction of quality and hygiene standards in processing plants.					C	VCL
Facilitate international certifications					C	COP
Support International Cashew Conference						EED and COP
Support training of GoM officials on export requirements for organic produce					C	EED and VCLs

COMPONENT 2: EXPAND AND STRENGTHEN AGRIBUSINESS DEVELOPMENT SERVICES

Most business development services (BDS) currently available to Mozambique's private sector are mainly 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. Under Component 2, AgriFUTURO will continue to seek to improve the quantity, quality and appropriateness of private sector business development services available to the target value chains and the agribusiness sector in the central and northern Mozambique. This component is comprised of three activities:

Activity 2.1: Developing value-chain- focused, private sector-run agribusiness service clusters;

Activity 2.2: Rolling out and expand farmer-owned service centers; and,

Activity 2.3: Building the capacity of service providers in the target value chains

Based on its value chain development approach, AgriFUTURO will reach scale by targeting groups of small and medium enterprises (SMEs) that have similar market and operational challenges, especially regarding inputs (seeds quality, chemicals) and market-related issues, such as highly competitive markets, lack of markets, low demand, or low prices. AgriFUTURO's focus on selected value chains will seek to address the holistic set of issues that constrain these SMEs, including increasing sales, market linkages, product design, input supply, skill sets, and regulations. We will also develop expertise for the private sector to be able to offer highly specialized and specific BDS to participants in our target value chains.

Activity 2.1: Develop Value Chain-focused, Private Sector-run Agribusiness Service Clusters

AgriFUTURO is developing a new, private-sector owned and operated model for agribusiness development services delivery, agribusiness service clusters (ASCs). ASCs will provide a range of business development services to any participant in one or more value chains and will focus on a specific geographic region. The purpose is to increase the availability and accessibility of business services for rural agribusinesses and to shift to a model of private sector-delivered business services.

During this work plan period, AgriFUTURO will conclude the development of a concept paper outlining the characteristics of and approach to ASCs. The project will coordinate with USAID to determine if local-currency resources managed by MIC for the purpose of technical assistance for recipients of the Agribusiness Investment Fund (see Components 3 and 4) can be used to support the development of ASCs. In this work plan, AgriFUTURO will:

- Implement a competitive grants program to provide seed capital for selected ASC managers/service providers. This funding can be used for basic infrastructure, such as a warehouse or storage facility, as seed capital for the purchase of processing equipment, or for initial operational expenses;
- Facilitate the creation of at least three ASCs by September 2010;

- Provide technical assistance for business plan formation, identifying additional sources of investment and capital, and developing a sustainability plan;
- Assist ASCs in developing marketing and outreach programs;
- Provide technical assistance to develop services; and,
- Develop an ASC monitoring plan.

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. In this work plan, AgriFUTURO proposes to provide assistance to already identified potential FOSCs and will seek to develop new FOSCs in both corridors. Specifically, the project will:

- Assess lessons learned and best practices from current and previous experiences to expand the offering of services provided to its members, focusing on long-term financial sustainability. Examples of new services could include selling and financing of input supplies;
- Facilitate provision of assistance to FOSC to secure private financing, this include the following activities:
 - Design a certified warehouse receipts program for FOSCs;
 - Design an inventory financing program for FOSCs and FOSC members with a partner financial institution;
 - Develop input sales and financing programs; and
 - Develop sales contract program with a financial institution;
- Continue to provide technical assistance to ALIMI to become a FOSC in Southern Niassa province, Nacala corridor;
- Continue to provide technical assistance to ADAMA to become a FOSC in Manica district Beira corridor;
- Start the assessment process to identify potential FOSCs to develop in Moma, Angoche, Netia, Monapo, Murrupula, and Gurué; and,
- Provide technical assistance and potentially grant financing to initiate services, including registering the cooperatives.

Activity 2.3: Build the Capacity of Service Providers in the Target Value Chains

AgriFUTURO will 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 may range from ASCs, FOSCs, small- and medium-sized agro-processors or service providers who are working with small holder farmers participating in the Emerging Farmer Program. Financial services providers are addressed under Component 3.

The assistance provided under this activity will vary, depending on the needs of the 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. In this period, AgriFUTURO will:

- Conclude the ongoing agribusiness development services needs assessments of current agribusiness development services capacity, including the identification of potential service providers; and,
- Develop an agribusiness development services providers coaching, mentoring and capacity building plan focused on increasing long-term sustainability to guide all BDS-related activities.

The Value Chain Competitiveness Strategies and Action Plans outline the technical assistance and capacity building activities by value chain and includes the timeframe for delivery of the assistance. Examples of the value chain-specific activities that will be carried out in this work plan include the following.

Oilseed & Grains Value Chain:

- Facilitate the promotion of basic seed multiplication within IIAM/SNS mandates;
- Facilitate introduction and promotion of improved seed varieties;
- Increase the use of seed treatment and other ways to control the flea beetle;
- Facilitate a local seed production system;
- Facilitate farmer training for seed production;
- Facilitate the training on market opportunities and requirements;
- Identify investors and facilitate creation of a consortium of processors;
- Facilitate development of business plans for processing facilities;
- Facilitate identification of financing options for processors; and,
- Facilitate the provision of training to processors.

Forestry Value Chain:

- Facilitate the establishment of a Technology Training Center for support from the Forestry Business Association; and,
- Provide training to forestry products producers and processors in use of native forestry.

Horticulture Value Chain:

- Map the production areas;
- Undertake in-depth market analysis and assessments for selected horticultural products; Facilitate the creation of an active and sustainable horticulture input services provider network;
- Develop training manuals and workshops;
- Facilitate production and processing trials;
- Increase local capacity to better manage post-harvest processes and increase availability of post-harvest facilities; and,

- Market links and quality assurance

Cashew Value Chain:

- Facilitate establishment of an effective 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.

TABLE 12. COMPONENT 2 OUTPUTS AND COUNTERPARTS

Outputs	Counterparts
Activity 2.1: Developing value chain-focused, private sector-run agribusiness service clusters	
Agribusiness Service Cluster (ASC) concept paper	Agribusiness Service Clusters, BDS Providers, Ministry of Industry and Commerce (for linkages with Agribusiness Investment Fund, Components 3 and 4)
USAID AgriFUTURO grant program published for application	
ASC Request for Applications (RFA) and two ASC grantees with contracts signed	
At least two ASC Business Plans	
ASC Technical Assistance Program guidelines and methodology	
ASC Monitoring Plan	
Activity 2.2: Rolling out and expanding farmer-owned service centers	
IKURU evaluation and strategic plan designed	IKURU, ADAMA and ALIMU and other FOSCs and others to be determined
At least 2 Business Plans for new FOSCs	
Inventory financing program (with Component 3) partner financial institution identified	
Activity 2.3: Building the capacity of service providers in the target value chains	
BDS Provider Capacity Building Plan	Various value chain stakeholders, emerging farmers, BDS providers, PROMER, IPEX and others as determined
Assessment of local BDS capacity	

TABLE 13. COMPONENT 2 SCHEDULE²

Component 2: Expand and Strengthen Agribusiness Development Services						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Activity 2.1: Develop Value Chain-Focused, Private Sector-Run Agribusiness Service Clusters						
Conclusion of ASC concept paper/scope of work and identify initial site options						COP with BSDS
Secure USAID approval of the concept paper						COP
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 BSDS and Grants Manager
First 2 selected recipients for ASC program with agreements finalized						COP with Grants Manager
Provide start-up technical assistance to ASCs (business plans, etc.)					C	BSDS
TA to develop BDS linkages plan and identify partner BDS providers (including financing providers)					C	BSDS with FSTTA
Develop and implement ASC performance monitoring plan					C	BSDS with M&E
Develop and provide follow-up assistance to top tier, unsuccessful applicants to develop base for second ASC phase					C	BSDS
Activity 2.2: Roll-Out and Expand Farmer Owned Service Centers						
Identify and assess lessons learned and best practices from current and previous experiences						BSDS
Assess capacity of identified farmer organizations to be transformed into FOSCs						BSDS with VCLs
Facilitate the preparation of selected farmers' organizations to become FOSCs					C	BSDS with EED and VCLs
Facilitate linkages with other service providers					C	BSDS with VCLs
Facilitate linkage with at least one financial institution to offer members access to savings and credit services					C	BSDS

² "C" indicates that the activity will continue

Component 2: Expand and Strengthen Agribusiness Development Services						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Provide assistance to FOSC to secure private financing					C	BDS with VCLs
Develop certified warehousing program (warehouse receipt)					C	BDS with VCLs
Develop inventory finance program with partner financial institution (assets)					C	BDS with VCLs
Develop input sales and financing programs					C	BDS with VCLs
Develop sales contract program with financial institutions					C	BDS with VCLs
Facilitate capacity building of identified FOSCs to deliver better services					C	BDS
Assist FOSCs to develop a membership and outreach program					C	BDS
Activity 2.3: Build Capacity of Service Providers in the Target Value Chains						
Undertake a value chain BDS needs assessment and an assessment of current agribusiness development services capacity, including the identification of potential service providers						BDS
Develop local BDS provider capacity building, coaching and mentoring plan					C	BDS
Facilitate specific VC BDS assistance, using local BDS providers					C	BDS with VCLs
Map the current participation of women in the targeted value chains					C	BDS with VCLs
Identify women's groups/women-led groups leading agribusiness initiatives					C	BDS with VCLs
Assist woman owned business develop business plans, access credit and implement plans					C	BDS with VCLs
Develop training seminars targeted to women entrepreneurs					C	BDS with VCLs
Value Chain Based Action Plans (detailed in the VC action plan)						
<i>Oilseed and Grains Value Chain:</i>						
Facilitate the promotion of basic seed multiplication within IIAM/SNS mandates					C	VCLs
Facilitate introduction and promotion of improved seed varieties					C	VCLs
Increase the use of seed treatment and other ways to control the flea beetle					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	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Facilitate the training on market opportunities and requirements					C	VCLs
Identify investors and facilitate creation of a consortium of processors					C	BDSB with VCLs
Facilitate development of business plan for processing facilities					C	BDSB with VCLs
Facilitate identification of financing options for processors					C	BDSB with VCLs
Facilitate the of provision training to processors					C	VCLs
Facilitate linkages with producers and markets					C	VCLs
Facilitate local certified testing facilities for quality control, oil content, etc.					C	BDSB with VCLs
Develop the capacity for organic/fair trade certification					C	BDSB with EED and VCLs
Promote relationships with local, regional and international buyers					C	BDSB with VCLs
<i>Forestry Value Chain:</i>						
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
<i>Horticulture Value Chain:</i>						
Site Surveys						VCL
Undertake in-depth market analysis and assessments for selected horticultural products						BDSB with VCLs
Facilitate the creation of an active and sustainable horticulture input services provider network					C	VCLs
Develop training manuals and workshops						BDSB and VCLs
Facilitate production and processing trials					C	VCL
Increase local capacity to better manage post-harvest processes and increase availability of post-harvest facilities					C	VCLs
Market links and quality assurance					C	BDSB with EED and VCLs
<i>Cashew Value Chain:</i>						
Facilitate establishment of an effective seedling production system using techniques of grafting and pruning					C	Cashew VCL

Component 2: Expand and Strengthen Agribusiness Development Services

Activities & Tasks	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

COMPONENT 3: BUILD LINKAGES TO FINANCING SERVICES FOR AGRIBUSINESS DEVELOPMENT

As USAID has pointed out, 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 compete in a global market. The costs and risks of doing business in Mozambique—perceived or real—are high, particularly in the agricultural sector. This has restricted the flow of finance from existing providers. 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 shows that innovation must take place both on the demand side (businesses and entrepreneurs demanding financing) and the supply side (institutions providing financing). Also, 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 USAID AgriFUTURO's work under this component is the Development Credit Authority (DCA) guarantee program that USAID/Mozambique is implementing with three major banks to finance agribusinesses. The DCA program is 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 microlenders.

Component 3 is comprised of three activities:

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

Activity 3.1: Help Agribusiness Firms Access Financing

Working with local BDS providers, we will coach AgriFUTURO-assisted agribusinesses to increase their capacity to identify, secure and manage financing. 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:

- Conclude 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 on the role and importance of credit and finance, agribusiness management, and creditworthiness. Through trainings and seminars, build the capacity of BDS providers to offer services that

improve communication between agribusinesses and financing providers. Such services might 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.
- Link AgriFUTURO-assisted agribusinesses with BDS providers through ASCs and FOSCs and develop affordable payment schemes for services;
 - 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 for AgriFUTURO client-agribusinesses and facilitate linkages with these programs.

Additional activities are identified in the Value Chain Competitiveness Strategies and Action Plans.

Activity 3.2: Develop Institutional Innovations

The USAID AgriFUTURO project will develop a network of partner financial institutions, mostly commercial banks, but also potentially with microfinance institutions that will receive technical assistance in agribusiness credit and finance. AgriFUTURO’s partner banks will include those institutions that are part of the DCA guarantee facility. Other institutions, such as microfinance institutions, could be included in this network, especially if they are the recipients of wholesale funds guaranteed by the DCA facility.

In this period, USAID AgriFUTURO will interact directly with financial institutions to:

- Undertake a market assessment of financial institutions to develop an inventory of currently available financing products for project-assisted agribusinesses. This will build off of the DCA market assessment carried out by USAID;
- 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;
- Assess options to develop savings and loan product within 1-2 producer associations;
- Provide assistance to expand inventory and warehouse receipts financing products to at least 2 new financial institutions;
- Provide assistance to develop input financing products for input suppliers; and,
- 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.

Activity 3.3: Promoting Project Linkages to New Agribusiness Investment Fund

For the past several months, USAID has been working with the GoM to develop a model for an agribusiness investment facility to leverage prior USAID-funded activity re-flows and other local currency funds. AgriFUTURO will provide leadership for the formation this facility, as described in Activity 4.2. There is an expanding pipeline of investment opportunities for this fund, which will be maintained by AgriFUTURO. Once the facility is operational, we will develop a technical assistance program for agribusinesses identified in this pipeline to help them prepare to apply to the fund for financing and manage financing, if financing is approved. The project will:

- Develop investment and business plans for potential applicants by engaging local BDS providers;
- Assist potential applicants in compiling and submitting the required information; and,
- Develop financial management plans and link facility investees with BDS providers, and assess the availability of local currency funds to procure assistance from local BDS providers.

The timing of this activity will depend on when the fund is capitalized and operational. However, in the meantime, the project will develop technical assistance options, identify potential BDS providers, and maintain the pipeline of potential investment projects.

TABLE 14. COMPONENT 3 OUTPUTS AND COUNTERPARTS

Outputs	Counterparts
Activity 3.1: Helping agribusiness firms access financing	
Financing Guide for Agribusinesses	Agribusinesses, ASCs, FOSCs and other BDS and finance providers
Agribusiness Finance and Administrative Management Training Course (for agribusinesses and BDS providers)	
Financing/Business Plans for selected agribusinesses	
Agribusiness Finance Awareness Building Seminar	
Activity 3.2: Developing institutional innovations	
Assessment of Agribusiness Financial Services Marketplace	Commercial banks, microfinance institutions and other credit and finance providers
Two new agricultural financial products	
Agricultural Lending Seminar	
Agricultural Risk Management Tools and training	
Activity 3.3: Promoting project linkages to new Agribusiness Investment Fund	

Investment Fund - BDS linkages program	Agribusiness Investment Fund, ASCs, BDS providers and agribusinesses
Updates to Investment Fund pipeline	

TABLE 14. COMPONENT 3 SCHEDULE³

Component 3: Build Linkages to Financing Services for Agribusiness Development						
Activities & Tasks	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						BDS
Identify agribusinesses within each target value chain to receive assistance accessing finance					C	VCLs
Identify business development service providers to provide finance-related services such as accounting, auditing and bookkeeping, and business plans development					C	BDS with VCLs
Develop business plans, including detailed financing plans, for each target agribusiness identified					C	VCLs
Develop agribusiness finance-related training program for business development services					C	BDS
Develop awareness building seminars for agro-producers on credit and finance issues					C	BDS
Develop training program for farmers' organizations on agribusiness financial and administrative management					C	BDS
Develop financing mechanism to link BDS providers with targeted agribusinesses, such as local financing options						BDS with VCLs
Through local BDS providers, ASCs and FOSCs, build the capacity of agribusinesses to manage financing					C	BDS
Identify agribusinesses with potential to receive equity investment or other private investment					C	VCLs

³ "C" indicates that the activity will continue

Component 3: Build Linkages to Financing Services for Agribusiness Development

Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Facilitate investment plans 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 BSD
Assist selected agribusiness prepare grant and financing applications for donor-funded grant/finance programs					C	VCLs
Develop risk assessment system to identify agribusinesses with potential difficulty re-paying bank-provided loans						BSD with VCLs
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 BSD and Communication Specialist
Activity 3.1: Help Agribusiness Firms Access Financing						
Value Chain Activities						
<i>Oilseed and Grains Value Chain:</i>						
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
Facilitate the development and delivery of agricultural value chain financing training for BDS providers					C	VCLs
Assist BDS providers with product development and risk management procedures					C	VCLs
<i>Horticulture Value Chain:</i>						
Mangoes: Identify appropriate financing for pilot pack house in Manica						VCLs
Bananas: Capital-raising assistance to new plantation investors					C	VCLs
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					C	VCL
<i>Cashew Value Chain:</i>						

Component 3: Build Linkages to Financing Services for Agribusiness Development						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Identify the financial needs of each phase of cashew production (raw nut production, commercialization, processing, etc.) for both working and investment capital costs						COP with FSTTA
Assisting the industry to obtain financing for replanting program						COP with FSTTA
Develop MOUs and joint work plans with selected institutions to initiate cooperation and technical assistance to support the replanting program						COP with BSDS
<i>Forestry Value Chain:</i>						
Forestry: Facilitate access to finance for small-scale initiatives						Forestry VCL with FSTTA
Activity 3.2: Develop Institutional Innovations						
Identify partner financial institutions for linkages with AgriFUTURO beneficiaries, new product development and other activities in sync with DCA program						COP with BSDS
Work with 1-2 partner financial institutions to develop at least 2 new financing products						BSDS
Work with 1-2 producer associations to develop savings and loan products					C	BSDS with VCLs
Facilitate the development of agribusiness risk analysis and mitigation procedures for partner financial institutions to help them more realistically assess lending risk					C	BSDS
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	VCLs
Assist commercial banks to develop and roll-out agro-lending training program					C	COP with BSDS
Activity 3.3: Promote Project Linkages to New Agribusiness Investment Fund						
Facilitate the development of mechanism for Investment Fund to link clients with technical assistance and BDS providers (with funding from local currency re-flows)					C	BSDS
Facilitate the development of core package of business development services to be provided to each Investment Fund client					C	BSDS with VCLs
Identify Investment Fund BDS providers (outsourced)					C	BSDS

Component 3: Build Linkages to Financing Services for Agribusiness Development

Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Assist BDS providers to upgrade product/service offerings to meet minimum Investment Fund standards as defined by Core Package of Services Policy					C	BDS with VCLs
Identify at least 3 initial investment opportunities for Investment Fund					C	BDS with VCLs
Identify and recommend 3-5 investment projects per year					C	BDS with VCLs

COMPONENT 4: INCREASE AND STRENGTHEN PUBLIC/PRIVATE PARTNERSHIPS

Partnerships between value chain stakeholders, government, other donors, and AgriFUTURO are important for sustaining long-term competitiveness. 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.

Activity 4.1: Developing and Implementing 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; and
- 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.
- Carr Foundation: bringing resources to expand economic opportunities for communities around Gorongosa National Park, particularly in the horticulture sector.
- Cargill: facilitating access to improved feed industry technologies and assistance on grain storage and marketing systems.

In this period, AgriFUTURO will continue to explore opportunities to form alliances with these strategic partners, develop concept papers and partnership proposal and finalize partnership agreements.

AgriFUTURO will also form partnerships with smaller and more local value chain stakeholders, such as medium- and large-sized agro-processors and producers, including partnerships to facilitate the replanting of aging cashew trees.

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.

The project also realizes that the GoM must be an active participant supporting private sector development and partnership formation. Therefore, AgriFUTURO will 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 will define 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.

Activity 4.2: Supporting the Formation of the USAID/GoM Agribusiness Investment Fund

AgriFUTURO is facilitating the formation of a public-private Agribusiness Investment Fund. The purpose of the Fund is to provide risk capital in the form of venture capital to small and medium-sized Mozambican agribusinesses. USAID/Mozambique and the GRM will extend a US\$20 million loan to the investment fund if the investment fund is able to mobilize an additional US\$10 million in equity capital. In addition to the loan, the GRM and USAID have agreed to establish a technical assistance fund in the amount of US\$2 million to assist companies who have been identified by the Investment Fund as potential investees but are in need of improving their financial reporting.

USAID/Mozambique and the GRM, through the Mozambique AgriFUTURO Program, will select an investment manager to receive the \$20 million loan, raise the additional \$10 million in equity capital, and manage the day-to-day operations of the fund.

AgriFUTURO will conduct a competitive bidding process to identify a competent and qualified fund manager. In doing so, AgriFUTURO will develop the investment fund manager's terms of reference and issue a request for proposals (RFP) and receive offers from interested parties. As a subsequent step, AgriFUTURO will develop a short-list of no more than three potential fund managers based on the scoring of an independent evaluation committee. The shortlisted candidates will be subject to a due diligence process, including site visits and review of audited financial statements. Shortlisted candidates will be required to submit revised proposals to answer questions that arise out of the due diligence process. Once best and final offers are received, the independent evaluation committee will independently score the best and final offers to identify the offer with the highest score. AgriFUTURO will then prepare the selection memorandum for USAID and GRM review and final approval. Other activities to support this effort will include developing the draft monitoring plan ensure that the selected fund manager is complying with the terms of reference and conduct periodic reviews of the fund manager's fundraising activities and report on the status of such activities. The aforementioned process is subject to final agreement between USAID and the GRM, which, if delayed will impact the timeline for which the award is made and the fund is operational.

TABLE 15. COMPONENT 4 OUTPUTS AND COUNTERPARTS

Outputs	Counterparts
Activity 4.1: Developing and implementing Global Development Alliances and other partnerships	
Four GDA Memorandums of Understanding	Private enterprises, agribusinesses
Activity 4.2: Supporting the formation of the GoM/USAID Agribusiness Investment Fund	
Identification of Investment Fund Manager	Agribusiness Investment Fund
Investment Fund Monitoring Plan	
Investment Fund Investment Pipeline	
Fund Governance Guidelines	

TABLE 16. COMPONENT 4 SCHEDULE⁴

Component 4: Increase and Strengthen Public/Private Partnerships						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Activity 4.1: Development and Implementing Global Development Alliances						
Develop/negotiate/formalize new GDA partnerships					C	DCOP and VCLs
Bananas, Pineapples: GDA partner to provide pro bono technical expertise and incorporation of specialist training material into training centers' curricula					C	DCOP and VCLs
Grain/Feed: GDA partner to design and implement storage and technology transfer alliance						DCOP and VCLs
Forestry: GDA partner to assist with the enabling environment reform program					C	DCOP and VCLs
Forestry: GDA partner to assist with human resources development					C	DCOP and VCLs
Soy Beans: GDA partner to assist with post-harvest infrastructure development					C	DCOP and VCLs
Pineapples: GDA partner to conduct detailed market demand surveys for fresh pineapple and pineapple juice, notably in Middle East countries					C	DCOP and VCLs
Identify target organizations for new GDA alliances					C	COP

⁴ "C" indicates that the activity will continue

Component 4: Increase and Strengthen Public/Private Partnerships						
Activities & Tasks	May	Jun	Jul	Aug	Sep	Activity/Task Lead
Develop and implement outreach program to promote GDA to target organizations					C	Communications Specialist
Activity 4.2: Support the Formation of the USAID/GRM Agribusiness Investment Fund⁵						
Review status of the Investment Fund design and implementation						COP
Develop the Fund managers Terms of Reference						DCOP/COP
Review proposals from potential investment fund manager						COP
Short-list potential fund managers and conduct due diligence						COP
Prepare final recommendations regarding fund manager selection to Program Committee						COP
Develop and refine project pipeline (*)					C	COP
Develop fund guidelines and governance policies, as needed					C	COP
Develop fund monitoring plan					C	COP

(*)Timing of these tasks will depend on date of the facility is operational

⁵ The establishment of the Fund requires buy-in and approval from the Government of Mozambique and therefore may be delayed until negotiations are concluded.

III. CROSS-CUTTING THEMES

Four important cross-cutting issues for AgriFUTURO are environmental management, gender, communications, and grants management. Mozambique's abundant natural resources and climate are among the country's most valuable assets and preserving these resources is critical to the sustainability and growth of the agricultural sector. An important consideration for the long-term sustainability and competitiveness of the sector is environmental planning and management. Also, USAID has detailed environmental management requirements and regulations that Mission-funded activities must follow.

AgriFUTURO recognizes that gender-issues must be explicitly addressed. Women play an important role in agriculture in Mozambique that should not be overlooked. Their participation in the private sector is active, if perhaps informal. Project activities will be gender sensitive and designed to specially address the needs of women.

Finally, there are two other important cross-cutting themes for AgriFUTURO communications and grants, which serve to bolster the program's core components.

Each of these cross-cutting themes is discussed below.

ENVIRONMENTAL IMPACT MANAGEMENT PLAN

Although the USAID AgriFUTURO project does not have specific activities related to natural resource management, climate change or biodiversity, the project team recognizes that environmental management is a *sine qua non* for agricultural sector sustainability and that precautions must be taken to ensure that environmental conservation and protection measures are taking place, especially with the potential introduction of pesticides, herbicides, fertilizers, and small infrastructure such as irrigation. The project's environmental plan emphasizes compliance with USAID global and Mission-specific regulations, guidance and requirements.

Compliance with Title 22 of the Code of Federal Regulations, Part 216 (22 CFR 216) (or, Reg 216). USAID/Mozambique has a series of Initial Environment Examinations (IEE) that are valid through September, 2010. The majority of AgriFUTURO's activities are covered by these IEEs and it was determined that additional Environmental Assessments are not required for the activities covered under the IEEs. To ensure this assumption, AgriFUTURO will work with a short-term Environmental Specialist to review the work plan to identify any activities that may not be covered by current IEEs and develop procedures for undertaking the relevant and necessary assessments, if needed.

Pesticide Evaluation Report and Safe Use Action Plan Compliance. 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.

GENDER

Women play critical roles in Mozambique's rural economy as agricultural producers and household managers. Poverty, food insecurity and environmental degradation have a disproportionately negative impact on rural women. Mozambican women are far more likely to work as unskilled agricultural labor than men, and the overwhelming majority of women in the labor force work in the agricultural sector. It is reasonable to assume, therefore, that the long-term economic well-being of women is directly related to the performance and growth of the agricultural sector.

Of the unskilled agricultural laborers, women represent 59%, which corresponds to 88% of total female employment sector (Arndt, Robinson, Tarp. "Gender and Trade Reform in Mozambique). Estimates indicate that skilled agricultural labor earns 64% more than unskilled agricultural labor. This indicates that raising the skills of female agro-producers could be directly linked with increasing women's incomes.

There is also evidence that women's roles vary by agricultural crop. For example, the study "Agricultural Technology, Risk, and Gender" (Arndt, Tarp) notes that women provide the large majority of labor inputs in cassava production in Mozambique. For other reasons, as well, cassava is more important in women's income generation than in that of men. Therefore, improvements in cassava production technology would have a greater impact on women than on men.

USAID AgriFUTURO will directly address the needs of women by developing and implementing activities that are targeted towards women and ensuring that activities are as gender-neutral as possible. For example, rural women involved in the agricultural sector tend to work long hours - The World Bank's Mozambique Agricultural Sector Memorandum (1997) asserts that rural women work, on average, 14-16 hours per day - and activities targeting women must work around this assumption. A brief description of gender issues, by project component, and how USAID AgriFUTURO will address some of these issues, is listed below.

Component 1 (Improve the Enabling Environment for Agribusinesses)

Due to the fact that women are more likely to work as unskilled agricultural labor than men, policy reforms that affect smallholders are likely to have a significant impact on women. Project specialists will review proposed enabling environment reform activities to assess the impact of such reforms on women.

The project will review the role of women in the target value chains when completing Competitiveness Assessments and address gender challenges in the Value Chain Competitiveness Strategies and Action Plans. Value Chain Associations will be representative of women and will address women's issues. Project staff will recruit women's organizations to

participate in national forums and discussions and conduct explicit outreach to women in producer and business associations, as appropriate.

Component 2 (Expand and Strengthen Agribusiness Development Services)

Although women and men require the same type of business development services, women face greater constraints accessing these services. The USAID AgriFUTURO project will encourage women's associations and entrepreneurs to actively participate in project activities.

For example, the project will ensure that women advisors and extension agents are present in the agribusiness service clusters to work with women farmers and entrepreneurs. We will also establish ways for ASCs to convey information that take into account literacy levels, and will ensure that the ASCs' hours of operation and location are responsive to women's schedule constraints. The project will also assess ways to tie funding of ASCs to women's activities, with up to fifty percent funding allocated for women-owned businesses or for consortia in which fifty percent of the businesses are women-owned.

Component 3 (Build Linkages to Financing Services for Agribusiness Development)

Several constraints restrict women's ability to access finance and credit. For example, they lack information and understanding of the financing process (in part because of isolation and low levels of education); family financial responsibilities may make meeting financial obligations difficult; and they lack access to collateral (men may hold possession of potential collateral) and may not have access to formal business documentation. Project experts will work with financial institutions to raise awareness of the financial needs of women, the constraints facing women and methodologies to better reach women.

Component 4 (Increase and Strengthen Public/Private Partnerships)

In addition to the opportunities created for women to access credit under Component 3, Component 4, which contemplates the formation of the Agribusiness Credit Facility, will also provide similar opportunities for women by raising awareness of the financial needs of women, and providing opportunities for woman-owned businesses to access credit.

Additionally, the project's Monitoring and Evaluating Program will track project activities and identify the number of women that directly benefit from project assistance.

DISSEMINATION AND OUTREACH

Communication and outreach are important tools for use during the program's implementation. When utilized effectively, these tools enhance the impact of the project and improve the image of USAID in the country. Therefore, through our communications strategy we raise awareness and knowledge of the USAID AgriFUTURO program in order to reinforce the positive impact USAID programs are producing in Mozambique, as well as to keep USG and Mozambican counterparts and stakeholders informed about project activities and progress.

Developing a strategic and formalized communication and outreach process that assures proactive and thorough Using the approved Dissemination and Outreach Plan, USAID

AgriFUTURO will disseminate information that will help establish and maintain broad support for the USAID AgriFUTURO program and advance USG foreign policy objectives. USAID AgriFUTURO staff will continue to collaborate closely with USAID/Mozambique, the U.S. Embassy, USAID/W colleagues, and implementing partners to promote a better understanding of project achievements within the Mozambican government, private sector, and civil society counterparts. The approved dissemination strategy also targets local media, the Mozambican general public, and the USG. Within the scope of communications, USAID AgriFUTURO have varying approaches to communicate its messages along the value chains as well as by components. The following are some examples of the role played by communication and outreach:

- USAID AgriFUTURO will work closely with program beneficiaries and stakeholders to raise awareness and facilitate joint advocacy on issues of concern to the enabling environment of the agribusiness sector by facilitating policy reform processes.
- USAID AgriFUTURO will use media resource and other social mobilization methods to increase the access to information on agribusinesses and related issues.
- USAID AgriFUTURO will promote formal market linkages among different actors in each value chain and with ASCs and FOSCs to ensure the sharing of best practices.
- USAID AgriFUTURO will implement a comprehensive outreach plan to build interest and support in Mozambique's agribusiness sector to facilitate alliances between government and local, regional and international private sector stakeholders.
- The USAID AgriFUTURO website is scheduled to be fully operational during the first week of May. The website will be just another means through which the project reaches out and disseminates information. In addition, the website will serve to publish public notices for procurements and requests for grant applications.

GRANTS MANAGEMENT

USAID AgriFUTURO will begin issuing grants upon receiving USAID CO approval of the Grants Manual. The project expects to issue four grants during the work plan period. The grants program will be 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 four ASC grants will be made in this work plan period. This grant funding is estimated at approximately \$75,000 per grant. From April to June 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 will be invited to compete amongst each other for grant funding using the analysis and information provided in their business plans as a key element to support their grant applications. (See Activity 2.1 for further information);

Seed Capital for Investment Grants: For capital investment financing. They will be made available to applicants that demonstrate a viable investment opportunity and have been able to leverage grant matching funding, either from other donors, investors or private credit providers or from in-kind contributions. Applicants will have to identify matching funding (at least 30 percent 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; and,

Discretionary Grants: To enable a rapid response for a small initiative that serves the broader objectives of the project. These grants will not exceed \$5,000 and will be issued as opportunities are identified.

ANNEX 1: ESTIMATED STTA, TRAINING AND OTHER SUPPORT RESOURCES

Short-Term Technical Assistance	Trainings and Seminars
Component 1: Improve the Enabling Environment for Agribusiness	
<i>Activity 1.1: Developing a stakeholder base for change</i>	
International Value Chain Competiveness Specialist	Value Chain Association Development Seminars
Local and International Policy Specialists, various topics, as needed/identified by Value Chain Competitiveness Strategies and Action Plans for enabling environment reforms	Program Advisory Committee
Website/Newsletter Designer	
Graphic Designer	
<i>Activity 1.2: Developing a national competitiveness strategy</i>	
Policy Analyst	Seminars on national competitiveness strategy formation and dissemination of assessment findings
International Agricultural Policy Specialist	Seminar on best practices in agricultural policy
<i>Activity 1.3: Developing a national competitiveness reform agenda</i>	
Team of cashew experts to develop the Cashew Master Plan	Incaju
Land Tenure Expert	Forestry
Component 2: Expand and Strengthen Agribusiness Development Services	
<i>Activity 2.1: Developing value chain-focused, private sector-run agribusiness service clusters</i>	
Local or International Business/Finance Plan Specialist	Capacity building seminars for ASCs and FOSCs on various BDS topics
International Business Development Services Specialist	Capacity building seminars for ASCs and FOSCs on various BDS topics
Analytical Lab Specialist	UniLURIO University
<i>Activity 2.2: Rolling out and expanding farmer-owned service centers</i>	
International or Local Farmer-Owned Company Specialist	Training seminars on new cooperative law
Senior and junior BDS Needs Assessment Consultant	ASCs and FOSCs
International Financial Services Specialist	Seminar on best practices in seed production
Business Plan Specialist	Alimi, Adama
Strategic and Work Plan Consultant	IKURU
<i>Activity 2.3: Building the capacity of service providers in the target value chains</i>	

Short-Term Technical Assistance	Trainings and Seminars
International and Local Value Chain Specialists for each value chain, various	Training seminars for BDS providers, various topics, various sessions
International Marketing Specialist	Seminar for IPEX on agricultural product export promotion best practices
International Standards Specialist (such as HACCP)	International standards implementation training seminars
Facilitators for seminars	Agribusiness awareness and lending
Component 3: Build Linkages to Financing Services for Agribusiness Development	
<i>Activity 3.1: Helping agribusinesses access financing</i>	
International Financial Services Specialist	Various half-day awareness building seminars for credit and finance
International Agribusiness Management Specialist	Various technical training seminars for BDS providers in finance-related BDS, such as agribusiness accounting and agribusiness administration
<i>Activity 3.2: Developing institutional innovations</i>	
International Financial Services Specialist	Training seminars for commercial banks on agricultural risk management, agribusiness loan portfolio management, agribusiness financial services marketing
International Agribusiness Lending Specialist	Training seminars on new financial products such as collateralized warehouse receipts lending
<i>Activity 3.3: Promoting project linkages to new Agribusiness Investment Fund</i>	
International and local Investment Fund Strategic Planning Specialists	On as needed basis, to be determined
Business and Investment Planning Specialist	
Component 4: Increase and strengthen public-private partnerships	
<i>Activity 4.1: Developing and implementing Global Development Alliances and other partnerships</i>	
On as needed basis, to be determined, based on GDAs developed	On as needed basis, to be determined, based on GDAs developed
<i>Activity 4.2: Supporting the formation of the GoM/USAID Agribusiness Investment Fund</i>	
Investment Fund Strategic Planning Specialists (1 local, 1 international)	To be determined, based on fund manager needs

ANNEX 2: ESTIMATED FUNDING REQUIREMENTS PER MONTH

Month	Estimated Funding Requirements
May 2010	\$530,362.00
June 2010	\$532,686.00
July 2010	\$460,389.00
August 2010	\$399,828.00
September 2010	\$412,064.00
Total Estimated Funding Requirement May 1, 2010 – September 30, 2010	\$2,335,329