

Civil Society Organization (CSO) Dialogue

Creating Synergies to Promote the Development of Food Systems in the Northern Region of Cabo Delgado

16th August 2023

In-Person at Kauri Resort, Pemba

On 16th August 2023, the Multi-Stakeholder Platform of the Northern Region (MSP), in partnership with the GAIN, SNV, and Technoserve, co-organized a Dialogue of Civil Society Organizations (CSOs), an event attended by 24 participants, to foster dialogue among organizations operating on the various intersections of the value chain for food systems in Cabo Delgado, intending to discuss the interventions required for the developing of food systems value chains, resources to the local community to upscale livelihood and reduce the level of malnutrition, and forging synergies between the involved stakeholders. Specifically, the meeting aimed to:

- Define and analyze the value chains of food systems, specifically the distinction between cash crops and consumer crops, the stages of production, processing, and distribution in the northern region of Cabo Delgado.
- Identify the gaps, challenges, and opportunities that exist in terms of creating synergies in the development of food systems in Cabo Delgado/the northern region of the province.
- Identify ways to improve coordination between actors to provide training, access to agricultural kits, and financial support to the local population and MSMEs.
- Create a synergistic environment for participating organizations to address the constraints of policymaking and the business environment for the sustainable development of food systems.

The Dialogue was held in a round table format, with organizations directly linked to the thematic areas of debate, with a view to promoting the sharing of experience and collaboration between the different stakeholders ranging from the private sector, CSOs, NGOs, GRM counterparts, etc. These participants were divided into the following groups i). Access to finance, ii). Synergies and market linkages, and iii). Policy reforms and governance.

1. Opening Remarks

Speaker: Mr. Dado Ussuhate – Provincial Director of Agriculture and Fisheries (DPAP)

To begin the meeting Mr. Dado Ussuhate gave an overview of the topic of discussion; "Creating Synergies to Promote the Development of Food Systems in the Northern Region of Cabo Delgado" and how the government, civil society organizations, and the private sector can work together to ensure effective distribution of resources throughout the northern region. He further stated that an open discourse will be held in which all individuals may engage to coordinate the best solutions for a healthier food system and value chains. As a result of this dialogue, better synergies and coordination between government officials, CSOs, and the commercial sector are expected.



Speaker: Mrs. Danila Boneva – Director of Multi-Stakeholder Platform (MSP)

The director of the MSP briefly gave an overview of the CSO Dialogue held in May in collaboration with Azul Foundation and Aga Khan Foundation that focused on the theme "The Role of Community Committees in Promoting Resilience Livelihoods and Social Cohesion in Cabo Delgado". The current CSO dialogue was held in partnership with SNV, GAIN, and TechnoServe with the purpose of discussing challenges and potential solutions in Cabo Delgado's food system, including the state of logistics, irrigation systems, production energy, and the potential synergies to improve the province's situation.

2. Round Table Discussion

Group 1: Access to financing

Main constraints and opportunities faced by small farmers and agro-SMEs in accessing finance.

| Constraints | |
|---|---|
|  | <ul style="list-style-type: none"> • Most SHFs are heavily dependent on natural resources as collateral. However, in this case, SHFs don't own land therefore being classified as ineligible or unqualified to access finance. Additionally, there is a lack of policies that support producers restricting their ability to obtain loans due to a lack of collateral. • Financial illiteracy is quite common in rural areas, therefore, excluding the local population from simple access to credit. Furthermore, in rural areas, there is a lack of identification cards (IDs), resulting in SHFs being unable to open bank accounts. • Due to the low presence of banks and financial institutions in the communities, SHFs normally don't have bank accounts and, therefore, aren't eligible for loans. This restricts their access to access furthermore due to no credit history. |
| Opportunities/Solutions | |
|  | <ul style="list-style-type: none"> • As there is a low presence of banks/financial institutions in the communities, it was recommended big aggregators work with small producers which allows financing through inputs and technical assistance. Additionally, to avoid being classified as high-risk regarding loans and credits, it was suggested a group of farmers apply for access to financing as a group instead of as individuals. • To be eligible for credit lines, local leaders and producers should be trained in financial and business management topics (theoretical and practical) as well as promote the ownership of IDs. • To entice financial institutions and bank branches closer to the communities, there is a need for mechanisms and incentives to be developed including public-private partnerships between the government and the banks/financial institutions. |

Financial products that can be potentially created to solve the constraints and/or take advantage of the opportunities.



- There is a need for a consolidated platform in the market to enable stakeholders to access information such as pricing of products, aggregators, suppliers, producers, etc.
- It was recommended there be mechanisms and incentives for banks/financial institutions to open branches in local communities.

Actors/other players who can potentially be involved in implementing these solutions.

- Banks
- Government
- Small group of farmers
- Private – Public Partnerships

Group 2: Synergies and market linkages

Main constraints and solutions in market linkages faced by Agri-SMEs and small farmers.

| Constraints | |
|---|--|
|  | <ul style="list-style-type: none"> • As SHFs and MSMEs are exposed to informal markets only, there is no alignment on the quantity and quality of products expected in the bigger formal markets. • SHFs sell their produce in informal markets instead of formal markets due to a lack of transport that accommodates the storage of these products. Poor road infrastructure heavily contributes to the poor market linkages. • There is a lack of diversification in the province, leading to an influx of products in the market. This affects the price at which these products are sold, leading to a loss for the SHFs and MSMEs |
| Opportunities/Solutions | |
|  | <ul style="list-style-type: none"> • Regarding quality and quantity, there's a need for a training package so farmers are aware of the markets and market needs including key products to add to the value chain such as corn, soybeans, cabbage, and nuts. • To accommodate longer-lasting products on the road to formal markets and earn a profit, there is a need for transportation with storage units. In addition, efforts need to be directed towards the rehabilitation of roads to facilitate market linkages. • SHFs should also focus on producing a wide range of products to sell on the market to make a profit. |

How market connectivity can be improved between the different regions of Cabo Delgado province?

- Market connectivity can be improved by the availability of transportation platforms which enable the movement of products to bigger and formal markets.
- There's a need for government-made policies to direct efforts towards the reconstruction of roads to facilitate market connectivity between the regions.

Main markets for the main crops and other agricultural and fishing products produced in Cabo Delgado.

- The main markets for the main agricultural crops and fishing products are non-existent, therefore being sold on the streets, huts, and shacks. However, Sunshine, ETG, and RW Machamba buy most of the fish and horticulture to sell in formal markets.
- The market districts for such products would be Balama and Montepuez.

Main medium and large-scale aggregators and agro-processors? How can they add value to small producers.

- The main aggregators include New Horizon and Elaco Orrera focused on chicken, ETG, RW Machamba, and MozGrain focused on Agri inputs.
- These aggregators can potentially add value to small producers by provision of contract farming allowing the participation of local labor from the communities.

Group 3: Policy reforms and governance

Identification of 5 critical policies and institutional reforms that can strengthen food systems at the national and provincial levels.

- Reduction of requirements and requisites for easier access to finance for MSMEs.
- Active participation of local people in mapping small businesses and effective support from extension workers during the project.
- Technical assistance from the government for resources such as fuel and transportation.
- Reduction of dispersed actions and fragmented coordination to support the creation of synergies.
- Reduction of requirements for the conquest of grants and subsidies.

Roles that can be played by main players in strengthening food systems at the national and provincial level (central government, provincial authorities, private sector, donors/NGOs/CSOs, farmers)?

- Information sharing including past experiences and project mapping from the main actors in the ecosystem will promote better coordination and formation of synergies.
- Retraining extension workers to better provide effective assistance to the producers.
- The government needs to create food systems working groups inclusive of all the main players at the provincial level.

How actors can work together in Cabo Delgado province to improve the policies and governance of the food system?

- The creation of a provincial-led food systems platform will promote the development of synergies among stakeholders, stimulating better coordination and information sharing rather than dispersed and fragmented support in the province.
- There's a need for more support from the extension workers during projects to retrain SHFs and MSMEs so they're better aligned with the needs of the market.
- For SHFs and MSMEs to have better access to finance, it is recommended there be established policies that ease and reduce the requirements.

3. Q&A Session

- Q.) What is the potential role of the private sector in food systems?
 - A.) The private sector can facilitate coordination between actors and information sharing of market needs to avoid duplication of efforts in food systems.
 - A.) It is crucial for the private sector to participate in the rebuilding and restoration of Cabo Delgado to drive the development and sustainability of the food systems to address the impending food security issue.

4. Final Considerations

It was concluded that coordination between stakeholders in the ecosystem is crucial for the development and sustainability of food systems in Cabo Delgado.

5. Next Steps

- The Secretariat will hold meetings with the co-champions of the CSO Dialogue to ensure some of the proposed solutions are implemented.
- The Secretariat will collaborate with the Provincial Directorate of Agriculture and Fisheries and Food Security Cluster to consolidate information on existing projects in the food systems.
- The Secretariat will reach out to private sector companies such as Total Energies, ExxonMobil, ETG, and RW Machamba to discuss potential opportunities and solutions available to unlock some constraints without having to provide endless resources.

ANNEX: Participating Organization

- ThirdWay Partners (MSP Secretariat)
- SNV Netherlands Development Organisation
- Global Alliance for Improved Nutrition (GAIN)
- Centro de Promoção de Desenvolvimento Económico de Cabo Delgado (CPDE-CD)
- Director Provincial da Agricultura e Pescas de Cabo Delgado (DPAP-CD)
- World Food Program (WFP)
- Ajuda de Desenvolvimento de Povo Para Povo de Cabo Delgado (ADPP-CD)
- Aga Khan Foundation (AKF)
- NUDEC
- RW Machamba,
- Administração de Infra-estruturas de Água e Saneamento (AIAS)
- EKN.
- Dutch embassy