

WORKING PAPER

working paper **number 161**
september, 2017

ISSN 1812-108x

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Food and Agriculture
Organization of the
United Nations



International Policy Centre for Inclusive Growth (IPC-IG) Working Paper No. 161

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

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ISBN: 978-92-5-109921-6 (FAO)
Print ISSN: 1812-108X

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IMPLEMENTATION OF DECENTRALISED FOOD PROCUREMENT PROGRAMMES AND THE IMPACT OF THE POLICY, INSTITUTIONAL AND LEGAL ENABLING ENVIRONMENT: THE CASE OF PRONAE AND PAA AFRICA IN MOZAMBIQUE

Luana F. J. Swensson¹ and Israel Klug¹

The development and implementation of an efficient institutional food procurement programme (IFPP)—which aims to link smallholder producers to institutional markets and promote development of food supply systems—is not a simple or straightforward task. It requires a series of conditions that must be coordinated and matched together. These conditions depend on—but go far beyond—governmental will and the availability of demand.

The central idea of this paper is that the policy and legal frameworks within which an IFPP is designed and the institutional environment in which it is implemented influence and can have a key impact on its successful implementation.

Based on the assumption that policy reforms need to be accompanied by alignments in the legal and institutional frameworks and also be supported by an adequate policy enabling environment to be effective, this paper aims to assess the impact of these frameworks on the implementation of decentralised IFPPs. It also looks at how the key challenges and barriers to the access of smallholder farmers to these programmes relates to these frameworks.

The paper also aims to demonstrate the role of pilot initiatives in supporting this adaptation process. Different procurement modalities impose different challenges and require different types of support from and adaptations to policy, institutional and legal frameworks. Pilot initiatives can play an important role in testing and providing a better understanding of the challenges and opportunities of different decentralised procurement models (supporting the choice of the most appropriate one within the country context) and, in particular, on informing the adaptations needed to these frameworks for effective implementation of the modality chosen.

The paper will do this by analysing Mozambique's experience of IFPPs represented by the National School Feeding Programme (PRONAE) and the Purchase from Africans for Africa (PAA Africa) programme. PAA Africa was a joint initiative of the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP), the Brazilian government and the United Kingdom's Department for International Development (DFID), which aimed to support

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and promote adapted local food purchasing initiatives in five African countries. Despite the conclusion of the joint programme in 2017, activities are still being implemented in Mozambique. Both initiatives use the regular demand for agricultural products provided by public schools to create a market for smallholder producers, aiming to promote development of the food supply system and combat food and nutrition insecurity. They were implemented through different pilot initiatives, which adopted and tested different decentralised procurement models.

Despite important achievements by both IFPP initiatives, important limits linked to the policy, institutional and legal enabling environment (such as gaps between policy texts and their implementation; procurement procedures imposed by public procurement legislation; and a lack of institutional and human capacity at the local level), combined with operational issues, hindered their effective implementation and achievement of their goals.

Considering the growing interest in institutional food procurement in Africa, this analysis of Mozambique's experience will highlight relevant elements that are useful for the development and implementation of efficient IFPPs in other countries.

The paper is divided into six sections. The first section provides an overview of the different school feeding initiatives in Mozambique and, in particular, of the PRONAE and PAA Africa pilot initiatives. Sections 2, 3 and 4 analyse the policy, institutional and legal frameworks, respectively, and their impact on the implementation of the pilot initiatives and the implications for a future scale-up of the programme to the national level. Section 5 complements this analysis by presenting the key operational bottlenecks from the pilot experiences and how they can inform the rethinking of some aspects of the legal, institutional and policy frameworks. A summary of key lessons learned and concluding remarks are presented in the final section.

The methodology used for the preparation of this study is based on both primary and secondary sources. Primary information was gathered during a field mission to Mozambique conducted by the author in May 2015. The secondary sources are listed in the References section.

1 OVERVIEW OF INSTITUTIONAL PROCUREMENT INITIATIVES IN MOZAMBIQUE

Institutional procurement initiatives for the purchase of food from smallholder farmers can be developed based on the demand for agricultural products from a series of different institutions (such as food reserve authorities, prisons, hospitals, food aid and relief development agencies, among others). In both the experiences analysed in Mozambique the institutional demand is provided by public schools in the context of a school feeding programme.

School feeding in Mozambique dates back to 1977. From then until 2008 a school feeding programme was funded and managed by the WFP. Food was purchased directly by the WFP, mainly through imports (although in 2006 a shift to national procurement was introduced) and distributed to boarding and primary schools (WFP 2009).

In 2008 a new phase of school feeding started in Mozambique. It was characterised by a transition process aiming at transferring the full ownership of the programme from the WFP to the government (School Feeding Programme Transition Project). As part of this process, school feeding became part of the National Strategy for Basic Social Security (ENSSB 2010–2014), and its gradual introduction was recognised as one of the objectives

of the government's Education Strategic Plan (PEE 2012–2016) (see Section 3). Table 1 describes the key characteristics of PRONAE and the Transition Project.

In 2010 the government signed a tripartite agreement with the Brazilian Cooperation Agency (ABC) and the WFP, with the aim of supporting the development of a national school feeding programme in Mozambique. Inspired by the Brazilian experience and its national school feeding programme (*Programa Nacional de Alimentação escolar*—PNAE), and mostly designed with Brazilian technical assistance, in 2013 the new PRONAE was approved by the Council of Ministers. With PRONAE, Mozambique was initiating a new phase of school feeding characterised by decentralisation, local procurement with direct purchase from smallholder farmer organisations (FOs) and dietary diversification.

BOX 1

PRONAE's guiding principles

- Emphasis on pre-primary and primary school children
- Intersectoral approach, with the participation of different government institutions and partners in the design and implementation of the programme through multisectoral groups
- Gradual implementation, with priority given to schools in the areas most vulnerable to food insecurity
- Decentralisation of both planning and implementation as a strategy for ensuring greater efficiency of programme management
- Community participation in all stages of the programme
- Local procurement of food from producers, processors and traders, with the aim of boosting the local economy
- Sustainability achieved through students' food and nutrition education, community participation, agricultural and livestock production and with local purchase of food

In the Transition Project procurement is done nationally, but only partially directly from FOs. Procurement from local smallholder producers is supported and implemented through the PAA Africa and Purchase for Progress (P4P) initiatives.² PRONAE's objective, instead, is to purchase food locally, especially from smallholder FOs located near the schools, as a strategy to support local economies and contribute to the economic development of each region (PRONAE 2013). Linking school feeding to locally produced food should also contribute to long-term food security, supporting not only beneficiary children but also the development of markets and the livelihoods of smallholder farmers (WFP and FAO 2014).

Another key characteristic of PRONAE is diversification of the beneficiaries' diet. The Transition Project food basket includes only four types of food: maize, pulses, vegetable oil and iodised salt, which are fortified following the guidelines of the national policy on food fortification (see below). In PRONAE, instead, diversified menus are devised by nutritionists, including fresh products and taking into consideration the availability and reality of local production. Through the inclusion of fresh products produced locally by smallholder farmers (in particular, horticulture), the programme aims to improve the quality of school meals, provide a greater diversity of food and promote healthy eating habits (WFP and FAO 2014; PRONAE 2013—see Table 1). It also aims to create a new market for fresh produce for local farmers.

The third characteristic of PRONAE is its aim of implementing a decentralised approach, for both planning and implementation, as a strategy to ensure greater efficiency of programme management. The different implementation models of both initiatives will be analysed in Section 3.2.

In its first phase PRONAE is being implemented through a pilot initiative covering 12 schools in 10 districts. The Transition Project has broader coverage: 175 schools.

According to the government, although distinct, both experiences are complementary and of key importance for the development and scale-up of school feeding in the country. The idea is that lessons learned from both experiences, including the testing of different procurement models, will constitute the basis for adapting and choosing the best implementation model to be used when scaling up PRONAE to the national level.

TABLE 1

National school feeding initiatives in Mozambique

	School Feeding Programme Transition Project	PRONAE (pilot initiative)
	WFP and Government of Mozambique (MINEDH)	International Tripartite Cooperation Agreement between Mozambique's Ministry of Education and Human Development (MINEDH), the Brazilian Cooperation Agency (ABC) and the WFP
Location	Cahora Bassa and Changara districts in Tete province	10 districts in Gaza, Manica, Nampula and Tete province
Geographic targeting criteria	Food insecurity and poor education indicators	Districts representing different agro-ecological zones in the country
Number of schools targeted	175	12
Number of students targeted	74,520	14,141
Diet	Fortified maize and pulses enriched vegetable oil and iodised salt	Diversified diet, including cereals, beans, vegetables and fruits
Quantity of food consumption each month	299 MT	51,144 MT (estimated)
District/schools receive	Food	Money for the purchase of diversified agricultural products, including vegetables
Procurement procedure planned	By the WFP, at country level, partially from smallholder FOs (P4P and PAA Africa). Training is provided to local authorities (on procurement procedures, logistics and management) to take over the programme and procure food locally after the WFP's exit.	Locally, within a decentralised model, prioritising smallholder FOs

Source: Authors' elaboration based on data from 2014-2015.

It is important to note that there are still important gaps between the design of PRONAE, its directives and what is being implemented through the pilot initiative. Many of these divergences will be presented in this work. Furthermore, in the first phase of PRONAE's implementation (2013–2015) the pilot was not yet fully implemented, with long periods of interruptions, limiting the range of our analysis.

PAA Africa works in support of Mozambique's government for the development of adapted local food purchase initiatives with a focus on production aspects and procurement tools.

The programme was inspired by the Brazilian experience of local food purchase from family farming producers, the Food Procurement Programme (PAA), and was implemented in five countries between 2012 and 2017: Ethiopia, Malawi, Niger, Senegal and Mozambique. Despite the conclusion of the joint programme in 2017, activities are still being implemented in Mozambique.

Within its overall objective, the programme has three main expected outputs: (i) strengthened productive capacities for smallholder farmers; (ii) improved school feeding programmes; and (iii) strengthened capacity of governments to implement local purchase programmes. To achieve these outputs and objectives, PAA Africa works at three levels; policy, programming and implementation; combining knowledge; and operational components.

In Mozambique, PAA Africa supported both government initiatives (the Transition Project and PRONAE) through a series of activities performed in collaboration with different actors. Table 2 describes the main activities performed by the programme, together with key stakeholders' responsibilities.

TABLE 2

PAA Africa's main activities in Mozambique and key stakeholders' responsibilities

Main activities performed by PAA Africa in Mozambique	Key stakeholders and their responsibilities	
<ul style="list-style-type: none"> • Training of smallholder producers in improved production systems and post-harvesting handling • Training of smallholder producers in horticultural production and conservation (in Cahora Bassa and Changara) • Training of smallholder producers and FOs (in collaboration with other projects and partners) on business planning, bookkeeping, and management of revolving funds • Support for the legalisation of smallholder FOs • Support for the construction of 91 clay silos (<i>Gorongosa</i> type) • Provision of agricultural inputs—i.e. quality seeds and fertilisers • Local purchase from smallholder FOs • Training of teachers and school feeding managers on nutritional education and on handling procedures for fresh produce • Training of local authorities on procurement procedures, logistics and management • Policy dialogue and knowledge-sharing workshops • Monitoring and evaluation activities 	WFP	Responsible for food purchases and distribution in schools, while also offering related support (infrastructure, capacity-building)
	FAO	Responsible for capacity development, extension services, and provision of inputs to smallholder farmers
	Government of Brazil	Responsible for providing technical and political support
	International Policy Centre for Inclusive Growth (IPC-IG)	Supporting the monitoring and evaluation of the programme
	National/regional institutions, in particular the Ministries of Education and of Agriculture	Offering support to and coordinating on-the-ground implementation of the programme

Source: Authors' elaboration, based on data from IPC-IG (2017).

At the operational level, PAA Africa operates in Mozambique through two pilot modalities which introduce and experiment with new procurement modalities that are more decentralised and closer to farmers.

In Modality 1, PAA Africa supports the WFP implementation of the Transition Project, focusing on the procurement of maize and on testing a procurement modality targeting first-level farmers' associations (see Table 3 and Box 1, page 5). In Modality 2, PAA Africa works in support and in synergy with PRONAE. Within this modality, PAA Africa focuses on diversifying beneficiaries' diet and supporting the production and commercialisation of fresh produce (in particular, horticulture) from local smallholder FOs.

Both modalities are accompanied, as described above, by a strong support strategy to increase not only smallholders' production and organisational capacities to access the programme but also those of schools and implementation agencies to improve and make the implementation of adapted local food purchase initiatives possible. Table 3 describes the main characteristics of the two PAA Africa pilot modalities.

TABLE 3

PAA Africa's implementation modalities in support of the Transition Project and PRONAE*

	PAA Africa modality 1 in support of the Transition Project	PAA Africa modality 2 in support of and synergy with PRONAE
Location of PAA Africa activities	Angonia, Cahora Bassa and Changara districts in Tete province	Cahora Bassa and Changara districts in Tete province
Location of schools targeted	Cahora Bassa and Changara districts	Cahora Bassa and Changara districts
Geographic targeting criteria	Food insecurity, poor education indicators and agricultural potential; PAA Africa targeted Angonia because of its agricultural potential for maize, and Cahora Bassa and Changara because they meet the Transition Project targeting criteria	Food insecurity, poor education indicators and support for the PRONAE pilot; PAA Africa targeted schools and famers' associations to support the PRONAE pilot
Number and location of beneficiary schools targeted	175 schools covered by the Transition Project	Target of 26 schools out of 175 participating in the Transition Project; among these, 2 schools covered by the PRONAE's pilot
Number of students targeted	74,520 students covered by the Transition Project	8,557
Number of farmers' organisations targeted	20 first-level smallholder farmers' associations 497 smallholder farmers	4 first-level smallholder farmers' associations (2 in Cahora Bassa and 2 in Changara); 54 smallholder farmers
Main production supported	Maize	Horticulture (cabbage, lettuce, kale, onion, tomato, carrot, etc.)
Procurement procedure planned	WFP direct procurement from smallholder FOs in Angonia, followed by fortification of products by a contracted milling company and distribution to schools in Cahora Bassa and Changara	Local procurement of horticultural products by district authorities directly from smallholders' FOs and using the government's standard procurement procedure
Quantity of food purchased	60 MT of maize, with 210 MT being purchased by P4P with PAA funds	There have been no purchases of horticultural products yet ³

* The data provided refers to the first phase of programme implementation (from February 2012 to December 2013).
Source: Authors' elaboration based on data from PAA Africa (2014).

It is important to mention that, despite the efforts of both IFPP initiatives, important limits linked to the policy, institutional and legal enabling environment, combined with operational issues, still hinder their proper implementation and, in particular, the access of smallholder producers to these institutional markets. The next sections of this paper are dedicated to an analysis of these frameworks and their impact on the implementation of those programmes.

2 POLICY FRAMEWORK

The alignment and support of a favourable policy environment can play an important role in the successful implementation of IFPP initiatives. As observed by different studies, IFPPs are more likely to be successful if they are supported by and aligned with policies and strategies that address the main issues linked to their objectives (Swensson 2014; Kelly and Mbizule 2014). An appropriate policy framework can be considered, for example, one key factor in the success of the Brazilian IFPPs (PAA and PNAE), which were developed within and supported by an extensive number of policies and programmes, organised under the 'Zero Hunger' strategy. The existence of an appropriate policy framework is, however, not enough; it must be followed by effective implementation.

In Mozambique, the national IFPP initiatives were developed within a group of policies which directly address and support most of their main objectives—i.e. food and nutrition security, income generation, and support for local and smallholder agricultural production. Table 4 (see page 10) describes the key policies and some of their main characteristics linked to the IFPP initiatives.

From an overall analysis of these policy instruments, a good alignment between PRONAE and the key policies in the areas of poverty reduction, agricultural development, food and nutrition security, social security and education can be observed (see Table 5, page 11).

Nevertheless, despite these major alignments, it is also possible to identify some important incoherencies between PRONAE and its policy framework and also some gaps between the texts of these policies and their implementation, which can have a direct negative impact on the implementation of the IFPPs.

The first incoherency regards the support for local procurement directly from smallholder producer FOs. Although it is a key pillar of PRONAE and also directly supported by the international policy framework,⁴ local procurement from smallholders is not considered in other policies in Mozambique.

In particular, there are some conflicting issues between local procurement (especially through the decentralised model promoted by PRONAE) and the national policy on food fortification. Mozambique's national programme on food fortification promotes the fortification of selected products, with the aim of combating malnutrition among target groups, including children. The fortification of maize was not mandatory, but it was foreseen for a second phase of the programme.⁵

PAA Africa pilot modality 1 (supporting the Transition Project) provided a good example of the challenges faced in the implementation and harmonisation of these two policies. The pilot followed the food fortification policy for the supply of maize, but not without challenges and through a more centralised procurement procedure.

TABLE 4

Key policies and some of their main characteristics linked to the IFPP initiatives

Key area	Key policies	Key elements linked to IFPP initiatives
Poverty reduction	Quinquennial Poverty Reduction Plan (PQG 2010–2014)	<ul style="list-style-type: none"> • Main objectives: to promote inclusive economic growth and reduce poverty and vulnerability in Mozambique • Act as an umbrella for most policies in diverse sectors, including agriculture and education (including PRONAE)
	Poverty Reduction Action Plan (PARP 2011–2014)	<ul style="list-style-type: none"> • Make a direct linkage between income generation and food and nutrition security (inclusive economic development is expected to simultaneously reduce food insecurity and chronic child malnutrition while strengthening defence mechanisms against endemic diseases) • Recognise support for the agricultural sector (and in particular for smallholder farmers), including access to markets, as one of the main ways to achieve the aims of these policies
Food and nutrition security	Strategy of Food and Nutrition Security (ESAN II 2007–2015) and its Strategy of Food and Nutrition Security Action Plan (PASAN 2008–2015)	<ul style="list-style-type: none"> • Main objectives: to guarantee that all citizens have, at any time, physical and economic access to food, allowing them to have an active and healthy life and comply with the human right to adequate food • Promotes a multisectoral and decentralised approach
	Multisectoral Action Plan for the Reduction of Chronic Malnutrition (PAMRDC 2011–2020)	<ul style="list-style-type: none"> • Main objective: to reduce chronic malnutrition in children younger than 5 years • Multisectoral approach: focus on setting up a package of priority interventions involving different sectors and their related ministries • Priority interventions should focus not only on directly addressing the problem of chronic undernutrition but have a broader range, considering and analysing other factors (such as legal frameworks, intersectoral collaboration and coordination, financial and human resources) that limit the capacity of the governmental institutions in the proper implementation of PAMRDC, ESAN and PASAN
	National Programme of Food Fortification (2011–2015)	<ul style="list-style-type: none"> • Main objective: to combat malnutrition by reducing vitamin and mineral deficiencies among the general population by introducing and scaling up the fortification of industrially processed cereal flours and edible oils • Among the target groups (considered the most vulnerable) are children, linking this programme to school feeding initiatives • Despite its alignment with national and other international policies, there are presently conflicting issues with the PRONAE and PAA Africa initiatives
Agricultural development	Strategic Plan for Agricultural Development (PEDSA 2010–2019)	<ul style="list-style-type: none"> • Share the vision of developing a prosperous, competitive, equitable and sustainable agricultural sector as established by Mozambique Agenda 2025 and as such contributing to the food security, income and profitability of agricultural producers and to a rapid, competitive and sustainable increase in market-oriented agricultural production • Build a strong link between food security and agricultural development
	National Agriculture Investment Plan (PNISA 2014–2018) (PEDSA operational plan)	<ul style="list-style-type: none"> • Main objective (PEDSA): to contribute to the food security and income of agricultural producers in a competitive and sustainable way, guaranteeing social and gender equity • Key components (PNISA): (i) improvement of agricultural production and productivity; (ii) market access; (iii) food and nutritional security; (iv) natural resources; and (v) reform and institutional strengthening; main cross-cutting issues: gender, environment and decentralisation
Social security	National Strategy for Basic Social Security (ENSSB 2010–2014)	<ul style="list-style-type: none"> • Main objectives: to associate the social security policy with the other major policy efforts in the country—namely, poverty reduction, the fight against food and nutrition insecurity, and economic development; to unify and orient the efforts of the government and non-government actors in the processes of planning and implementing activities in favour of the most vulnerable individuals; to make social security contribute in an efficient and effective way to the country's poverty reduction and socio-economic development efforts • Guided by a set of principles, most of these in complete alignment with the principles established by PRONAE: (i) universality; (ii) progressivity; (iii) equity; (iv) inclusion; (v) multisectoral response; (vi) efficiency; (vii) solidarity; (viii) subsidiarity (directly linked to decentralisation); (ix) participation; (x) transparency and accountability
Education	Education Strategic Plan (PEE 2012–2016)	<ul style="list-style-type: none"> • Main objectives: (i) to ensure inclusion and equity in access to and retention in schools; (ii) to improve student learning; (iii) to ensure good governance of the system • Priority actions: to include the gradual introduction of a school feeding programme in the districts with the highest indices of food insecurity and dropouts, as well as low academic attainment levels • Sets education as an instrument for the affirmation and integration of an individual into social, economic and political spheres of life—considered indispensable to the country's development and to combat poverty

Source: Authors' elaboration.

TABLE 5

PRONAE's expected results and alignment with the policy framework

PRONAE expected results (PRONAE 2013)	Alignment with the national policy framework
<ul style="list-style-type: none"> Strengthen physical and cognitive capacities of students to enable them to concentrate better during the process of teaching and learning Improve academic achievement and the quality of teaching and learning Improve enrolment rates and retention of students in the education system 	<ul style="list-style-type: none"> Aligned with the Education Strategic Plan (PEE 2012–2016) objectives of enrolment and retention of students in school and improvement of the quality of teaching and learning (PRONAE 2013)
<ul style="list-style-type: none"> Boost the development of the local economy through the creation of market opportunities for local and smallholder producers, processors and traders; and have a positive impact on (i) production and productivity; (ii) household incomes; and (iii) poverty reduction 	<ul style="list-style-type: none"> Aligned with Poverty Reduction Action Plan (PARP 2011–2014) objectives and instruments: reduction of poverty and promotion of inclusive growth; increasing production and productivity of the agricultural sector, including with particular attention to smallholder producers and their access to markets Aligned with the main policies of the agricultural sector and, in particular, with the components of improving production, productivity and market access present in the Strategic Plan for Agricultural Development (PEDSA 2010–2019) and the National Agriculture Investment Plan (PNISA 2014–2018)
<ul style="list-style-type: none"> Mitigate the problem of food insecurity and malnutrition in the medium and long term 	<ul style="list-style-type: none"> Aligned with all the policies which have among their main objectives to combat food and nutrition insecurity: the Strategy of Food and Nutrition Security (ESAN II 2007–2015) and its Strategy of Food and Nutrition Security Action Plan (PASAN 2008–2015); the Multisectoral Action Plan for the Reduction of Chronic Malnutrition (PAMRDC 2011–2020); and the National Programme of Food Fortification (2011–2015)

Source: Authors' elaboration.

In this pilot, the WFP, in line with the aims of PAA Africa, procures maize from smallholder FOs located in Angonia district and arranges its collection and transportation to the fortification facility and, subsequently, the distribution of the fortified food to Cahora Bassa and Changara districts. The more centralised procurement arrangements adopted by this modality (compared to those implemented through PAA Africa modality 2 or PRONAE) facilitates the operation.

Nevertheless, this process presents important challenges. In the first phase of the pilot's implementation the only milling company with the capacity to fortify food was located around 800km from Angonia and around 500–550km from Changara and Cahora Bassa. (PAA Africa 2014). In the second phase, although a new company located nearer was identified, the entire process still required important logistical management and costs that could not be ignored (ibid.).

To carry out the fortification of the products within a decentralised model (at district or even at school level) such as the one supported by PRONAE⁶ is even more complex (and costly), especially at this stage of implementation of the food fortification programme in which the number of facilities is still low. For the time being, the fortification procedure for the procurement of maize has not been implemented by PRONAE.

Better coordination of these programmes is, therefore, needed. Given that children are exactly one of the target beneficiaries of the food fortification policy, the lack of direct linkage between the two programmes is an important issue. According to the Ministry of Industry and Commerce (MIC), the government has tried to link PRONAE and food fortification policies in the sense of giving priority to fortified products when available. In addition, instruments

such as the *Bolsa de Mercadorias* (BMM) of Mozambique,⁷ which is responsible for managing and operating a new network of silos, is seen as a possible source of support for linking the programmes and also as another way to help link smallholder producers to markets.

Nevertheless, the link between school feeding and food fortification programmes is dependent on the effective implementation of the food certification programme, meaning the availability and capacity of millers and processors to fortify the products produced by smallholder farmers. Indeed, a key challenge regarding the policy framework's alignment with and support for Mozambique's school feeding initiatives is exactly the gap that exists between the texts of these policies and their effective implementation.

One example regards the policies on agricultural development. Different studies report that the actual actions taken by the government and its decisions on development do not correspond with the prevailing policy discourse (see Clements 2015). The texts of the policies build a strong linkage between agricultural development and food security and include among their objectives: (i) to accelerate the production of staple and nutritious food products; (ii) to guarantee income for producers; and (iii) to ensure access and secure tenure of the necessary natural resources (PNISA). In practice, however, government actions and decisions are focusing much more on the promotion of large-scale land investments for foreign agribusinesses to produce agricultural commodities—such as soybean, rice, cotton and sugar cane—for export (Clements 2015).

These examples demonstrate that, despite the important advances already made in the country, Mozambique still faces important challenges to implement its policies effectively (see UNSCN 2013). Bottlenecks include a lack of or insufficient funds and adequate institutional and legal frameworks able to provide the necessary support for appropriate and sustainable implementation (ILO, WFP, and UNICEF 2015; UNSCN 2013).

As such, although the group of policies and strategies mentioned could represent a very favourable policy-enabling environment for the implementation of IFPPs, analysis shows that the reality on the ground is more complex. The existence of these policies and their alignment with PRONAE objectives is certainly an important step in the right direction towards ensuring the success of the IFPP initiatives. Nevertheless, challenges linked to the translation of these policies into action still exist.

3 INSTITUTIONAL FRAMEWORK

Similarly to policies, the institutional framework in which IFPPs are developed can play an important role in their successful development and implementation. In particular, a multisectoral approach and decentralisation are two key aspects of the institutional framework which directly impact IFPPs, as observed in the Mozambique experience.

3.1 MULTISECTORALITY

IFPPs are by their essence multifaceted and complex programmes. The different objectives of these programmes, such as food and nutrition security, income generation, support for local and smallholder agricultural production and linkage to local formal markets—and also the challenges faced to achieve these aims—go beyond sector-bound single institutions and require a coordinated and collaborative multisectoral approach and inter-ministerial collaboration.

Studies have demonstrated that public food procurement programmes are more likely to be successful if there is effective institutional coordination, with clear institutional roles and overarching legal and policy frameworks that guide collaboration between ministries, policies, strategies and institutions, running from the ministry down to the local level where food procurement takes place (Kelly and Swensson 2017; FAO 2013). A coordinated and multisectoral approach has been identified, for example, as one of the main factors in the successful implementation of the Brazilian PAA, which, as already mentioned, served as inspiration for both PAA Africa and PRONAE (Milhorance de Castro 2014; Swensson 2014).

Multisectoral groups can be an important instrument fostering and advocating for the development of new strategies and institutional and legislative changes related to different sectors and under the mandate of different institutions, which are required for the proper implementation of IFPPs in the specific country contexts. Nevertheless, coordinating the actions of multiple agencies and institutions in different sectors is not an easy task (Garrett and Natalicchio 2011). It can require many adaptations and institutional changes and is certainly much easier to promote than to effectively implement, as the Mozambique case demonstrates (*ibid.*).

Multisectorality is directly promoted by most of Mozambique's policies, including those related to the objectives of IFPPs. Both PRONAE and PAA Africa promote a multisectoral approach in both their design and implementation. Table 6 describes the key characteristics of PRONAE and PAA Africa's multisectoral groups. It is important to note, however, that with PRONAE being a government programme and PAA Africa a project, the objectives and roles of their multisectoral groups differ.

Despite the recognised importance of a multisectoral approach within the Mozambique experience, important challenges to its operationalisation remain. There are still important gaps between the design of the multisectoral approaches of both PRONAE and PAA Africa and their implementation.

TABLE 6
PRONAE and PAA Africa's multisectoral groups

	PRONAE Technical Council	PAA Africa Technical Group
Level	Central, provincial and district	Central and provincial
Composition	<ul style="list-style-type: none"> • 11 Ministries: <ul style="list-style-type: none"> ▪ Ministry of Education (MINED) ▪ Ministry of Agriculture (MINAG) ▪ Ministry of Health (MISAU) ▪ Ministry of Economy and Finance (MIF) ▪ Ministry of Social Action ▪ Ministry of Industry and Commerce (MIC) ▪ Ministry of Planning and Development (MPD) ▪ Ministry of Coordination of Environmental Affairs (MICOA) ▪ Ministry of Transport and Communications ▪ Ministry of Public Works and Housing (MOPH) ▪ Ministry of Energy • Technical Secretariat for Food Security and Nutrition (SETSAN)⁸ • Government partners 	<ul style="list-style-type: none"> • FAO and WFP • 5 Ministries: <ul style="list-style-type: none"> ▪ MINED ▪ MINAG ▪ MISAU ▪ MIF ▪ MIC • SETSAN • Civil society organisations • Local communities





Coordinator/ facilitator	MINED	FAO and WFP
Main responsibilities of key participants		
MINED	<ul style="list-style-type: none"> • Coordinates the activities of the Technical Council • Participates in the planning of the programme • Proposes the schools to participate in the programme, taking into consideration the gradual nature of implementation • Provides data that allow the monitoring and evaluation of educational indicators • Integrates nutritional education, horticulture and fruticulture in the school curriculum • Ensures good financial management and compliance with procurement regulations 	<ul style="list-style-type: none"> • Proposes mechanisms of articulation between PRONAE, the PAA and the agriculture sectors • Supports local communities with training for the production and marketing of products for the school feeding market • Proposes the schools to participate in the programme, taking into consideration the gradual nature of implementation • Supports the process of decentralisation of local purchases at school level • Emphasises the priority for local procurement directly from smallholder producer associations (and not traders) and the diversification of school menus, among others
MINAG	<ul style="list-style-type: none"> • Provides the linkage between the programme and smallholder producers • Incorporates school feeding in agricultural policies and strategies • Provides technical assistance to school and smallholder producers involved in the programme through its technical assistance network • Provides information to PRONAE on prices of agricultural products • Promotes farmers' associations at the local level • Discloses the market opportunities created by PRONAE among producer organisations • Facilitates access to credit for producer organisations through the Agricultural Development Fund (FDA), among others 	<ul style="list-style-type: none"> • Incorporates institutional markets in sectoral policies and strategies • Supports the identification and strengthening of FOs that can supply institutional markets • Facilitates the linkage among smallholder producers and institutional markets • Provides technical assistance to producers and support the component of school production through its extension networks • Supports the process for the legalisation and commercial registration of FOs and for opening bank accounts • Supports the identification of technological bottlenecks at FOs, and provide training in the definition of production plans for complying with school feeding demand
MIC	<ul style="list-style-type: none"> • Promotes the commercialisation of quality agricultural products • Encourages the private sector to invest in the transformation and processing of agricultural products at the local level • Makes available information on prices of processed agricultural products to PRONAE • Prioritises the sale of agricultural products to schools covered by the programme, in its capacity as the purchaser of last resort for surpluses • Ensures the fortification of foodstuffs for school feeding 	<ul style="list-style-type: none"> • Supports the establishment of local storage infrastructure and small processing units • Supports the discussion on possible changes to the legal framework for procurement from FOs • Monitors the setting of prices for food products in the marketing process
MISAU	<ul style="list-style-type: none"> • Defines adequate food requirements based on students' needs • Supports the development of school menus based on the local availability of products and eating habits • Ensures compliance with hygiene practices in food preparation at schools • Promotes nutrition education and actions linked to school health 	<ul style="list-style-type: none"> • Contributes to the definition of adequate food standards based on students' nutritional needs, taking into consideration the local availability of products and eating habits • Contributes to the compliance with hygiene practices in food preparation at schools • Promotes nutrition education and actions linked to school health
MIF	<ul style="list-style-type: none"> • Ensures the availability of financial resources needed to implement the programme • Manages the financing of the programme • Ensures proper use of funds allocated to the programme (make regular audits of the programme) 	<ul style="list-style-type: none"> • Mobilises financial resources needed to implement the programme • Supports the discussion on possible changes to the legal framework for procurement from FOs • Promotes taskforces at district target level for the attribution of fiscal documents (tax registration numbers—NUIITS) to FOs





SETSAN	<ul style="list-style-type: none"> • Provides regular information on the situation of food and nutritional security in the country • Supports the development of measures to promote food security and nutrition among beneficiaries of the School Feeding Programme • In partnership with MISAU, contributes to promoting nutrition education in schools 	<ul style="list-style-type: none"> • Contributes to the coordination of PAA Africa and PRONAE with the other public policies and strategies on food and nutrition security • Favours multisectoral political dialogue for the development of local agriculture • Provides regular information on the situation of food and nutritional security in the country • In partnership with the other stakeholders, contributes to promoting nutrition education in schools • Possibly acts as a space for establishing an advisory council for local procurement, with a political and multisectoral character
FAO and WFP (among other government partners in the case of PRONAE)	<ul style="list-style-type: none"> • Support the financing of PRONAE • Provide technical assistance in the design and implementation of the programme • Ensure continuous training for the national technicians 	<ul style="list-style-type: none"> • Facilitate the Technical Group at the national and provincial levels in the joint implementation of PAA Africa activities and in the proposal of cooperation mechanisms with PRONAE and other social sectors • Disseminate information about PAA Africa • Provide subsidies for the pilot initiatives for the consolidation of local institutional procurement
Civil society organisations		<ul style="list-style-type: none"> • Contribute to the planning and monitoring of activities • Advocate for the consolidation and expansion of a national strategy on institutional local procurement • Participate in the coordination of activities between organisations at the local level and in the definition of the approach for involving local communities in the programme • Support the process for the legalisation and commercial registration of FOs and for opening bank accounts

Sources: Adapted from PRONAE (2003) and Milhorance de Castro (2014).

3.1.1 PRONAE Technical Council

The PRONAE Technical Council played an important role in the design phase of the programme, with significant participation by and collaboration among different ministries, especially at the technical level. Nevertheless, in the implementation phase important challenges were reported. These include a lack of involvement of higher-level representatives and of those with decision-making power at the central level, and a lack of implementation of coordination mechanisms at the provincial and district level.

Interviews with different stakeholders revealed that it has been very difficult to get high-level representatives of the different ministries to participate in the Technical Council, which has limited its scope. Participants often act only as listeners, without full commitment or an active role. Constant changes among the people representing each ministry are also reported as a challenge, as they hinder the continuity of the work. The idea was that through the Technical Council the different ministries could identify the issues PRONAE had which were related to their mandate, report and advocate within their own ministry to find a proper solution and, in particular, produce the necessary institutional and legislative changes and structures required. However, this is usually not fully accomplished.

Furthermore, for the time being, the multisectoral approach does not reach the local level. The planned multisectoral groups at the province and district levels have not yet been established. The Ministry of Education (MINED) is responsible for managing the programme at the district and provincial levels but cannot count on the planned support of a multisectoral group.

Among the consequences of the lack of implementation of a multisectoral approach is that important bottlenecks in the implementation of PRONAE are not being properly addressed, hindering the programme's development. One key example is the issuing of NUITs (the tax registration numbers required for producers to participate in the PRONAE and PAA Africa initiatives), which is under the mandate of the Ministry of Economy and Finance (MIF) and takes place at the provincial level. The difficulties in obtaining NUITs for both smallholder farmers and FOs represent one of the main operational bottlenecks in the implementation of both PRONAE and PAA Africa (see Section 5). It is interesting to note that the promotion of taskforces at the district level for attributing NUITs is one of the responsibilities of the MIF in the PAA Africa Technical Group, but no explicit reference is made to it in the PRONAE Technical Council.

One particular issue raised is that PRONAE is often perceived as being centred at MINED, with other ministries feeling not directly or sufficiently involved, especially in the implementation process. The structure of PRONAE itself contributes to this understanding, as its pillars⁹ do indeed focus mainly on the responsibilities of education, with less emphasis on agricultural production or aspects of local procurement.

On the other hand, MINED recognises that within its own ministry PRONAE does not have an appropriate institutional structure which could favour more effective multisectoral coordination. Although the initial idea was to create a specific structure for PRONAE within MINED, due to a lack of resources the central government chose to place the programme within the Directorate of Special Programmes (DIPE) in the existing Department of Food and Production. Within this department PRONAE is only one among many other educational programmes (covering very different areas) managed by a limited number of staff and funds. This existing structure is also considered too heavy for the dynamics of PRONAE.

After the election of the new president in October 2014 it was decided to create a new directorate within MINED more directly linked to nutrition and school health and in which PRONAE will soon be placed. This could be seen as a positive response from the central government giving broader support to PRONAE. Indeed, the effective commitment of the central government and the priority given to the programme is another important issue for PRONAE. One important indicator is that, although the government had planned a financial commitment, at the time of the research practically no public funds had been committed to financing and expanding the programme.

3.1.2 PAA Africa Technical Group

As part of a project, the PAA Africa Technical Group had as its mission to build a participatory process for the consolidation of a national strategy for local procurement for institutional markets (Milhorance de Castro 2014). It aimed to capitalise on the results of the pilot initiatives to contribute to the strengthening of school feeding in Mozambique and support the development of institutional capabilities (at the central and local levels) for the expansion of local procurement initiatives (*ibid.*).

However, similarly to the PRONAE Technical Council, the PAA Africa Technical Group also faces important challenges in its operationalisation. In practice, at the provincial level the PAA Africa Technical Group has not been established. At the central level, effective multisectoral coordination with local ministries is still lacking. Although the representatives of the different ministries participate in meetings, they have not yet become effectively and substantially involved.

According to some stakeholders, the choice by PAA Africa to link itself exclusively to school feeding may represent a limitation for reaching other potential institutional markets and ensuring more effective engagement with other sectors. On the other hand, even the coordination and collaboration with MINED was not as desired. According to MINED, PAA Africa is seen as being very much centred at the UN agencies (FAO and WFP), without any effective involvement of the different ministries and the central government, revealing at a certain level a lack of government ownership.

Despite having among its objectives the promotion of dialogue in developing public policies and strengthening institutional capacities at the central and local levels for expanding local procurement from smallholder farmers, the lack of effective collaboration and government support for PAA Africa may severely impact its future and the likelihood of it achieving its results. As stated in the PAA Africa Final Report on Phase I, to guarantee the long-term sustainability of PAA Africa, progressive government engagement at the operational, programming and policy levels is a major priority (PAA Africa 2014).

An analysis of both the PRONAE and PAA experiences also shows that the lack of an effective multisectoral approach and effective involvement of the different stakeholders may constitute considerable obstacles to the development of the necessary strategies, legislation and institutional changes required for the proper implementation of these programmes and become an important barrier to their success.

This issue has been recognised by both PRONAE and PAA Africa (see Milhorance de Castro 2014). Among the initiatives to overcome this obstacle, is the participation of PAA Africa in PRONAE's multisectoral group to discuss key common issues with the aim of reaching different stakeholders and higher-level government representatives and, among others, advocating for changes in the legislation regarding the procedure for the public procurement of food directly from smallholder farmers. As we will see in the next section, the lack of legislation adapted for the procurement of food products is one of the main bottlenecks in the implementation of IFPPs.

3.2 DECENTRALISATION

The choice of the most appropriate management structure for the procurement system is of key importance for the effective implementation of IFPPs.

Decentralised systems can be particularly adapted to IFPPs' aims of linking smallholder farmers to institutional markets and are often accepted as the preferred solution. Decentralisation means that there are more opportunities for local-to-local linkages that can benefit smallholder producers supplying food and end-users such as schools, with spillover effects for the rest of the local community (OECD 2000; Thai 2008a). As the information interface is more immediate, delays can be avoided, and expenses for transportation and storage reduced. Furthermore, a decentralised system facilitates the supply of fresh food and improves the quality and variety of food and its compatibility with local habits and tastes (Belik and Chaim 2009; Villa Real and Schneider 2011). Decentralisation is one of the seven guiding principals of PRONAE and is recognised as a way to ensure greater efficiency in the programme's management.

It must be acknowledged, however, that decentralisation may also mean a decrease in the potential advantages of bulk buying and economies of scale. Furthermore, more centralised processes can also ensure greater standardisation of procedures, facilitating monitoring and control.

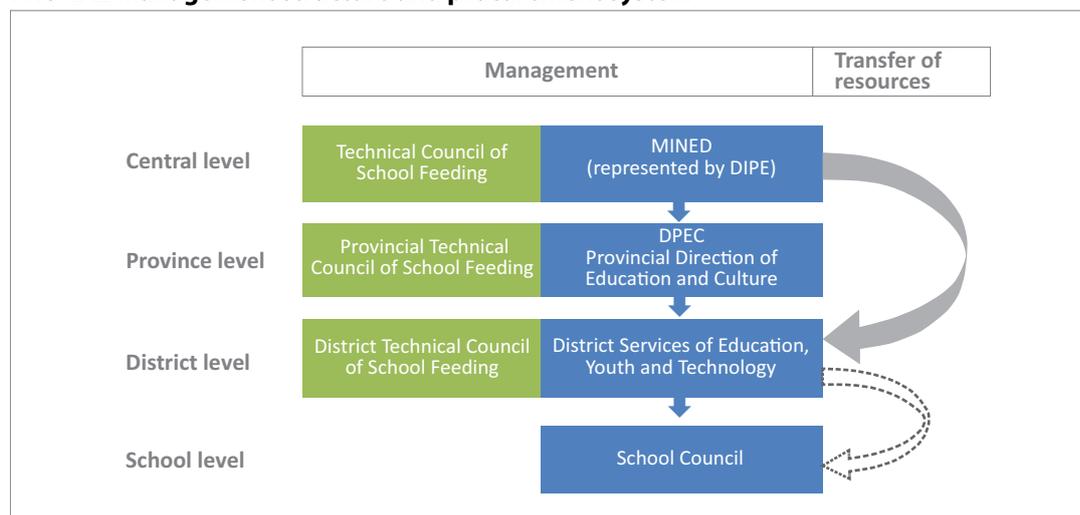
It is very important that the choice of the procurement model adopted for the implementation of an IFPP is adapted to the country context and takes into consideration a series of different factors. These include the country's size—including the level of economic and market structure—the government structure, the volume and type of food required, the beneficiaries' needs, and institutional procurement capacities (OECD 2000).

Furthermore, even within a decentralised system there are a number of possible procurement strategies that can be adopted. Decentralisation, in fact, can occur at different levels (provincial, district or school). It can also include some elements of centralisation, forming mixed models which combine some of the advantages of a more centralised approach, such as economies of scale, greater purchasing power and lower costs for developing human and institutional capacity, as those responsible for the procurement process are fewer in number and centrally located (Belik and Chaim 2009; OECD 2000).

The possibility of testing and choosing among different procurement models is a great opportunity provided by pilot initiatives. They may reveal the advantages and challenges of implementing of different models in practice, allowing a better and more realistic choice when scaling up the programme to the national level based on the country's specific context. In Mozambique both PRONAE and PAA Africa are testing different procurement models.

PRONAE has been testing a decentralised procurement model at the district level. Decentralisation at the school level, although planned, has not been implemented yet. Figure 1 describes the official PRONAE management structure and procurement system.

FIGURE 1

PRONAE management structure and procurement system

Source: Authors' elaboration.

According to this model, the District Services of Education, Youth and Technology receive the funds and are responsible for implementing the programme. As described in Figure 1, they should be supported by a multisectoral group represented by the District Technical Council of School Feeding, which, as already mentioned, has not been implemented yet. The local education authority procures all the food products used in the school menus (including fresh products as well as non-perishable ones) at the local level, directly from smallholder producers'

associations or small traders. Although procurement from small local traders is possible, preference should be given to smallholder producers, in particular those located near the schools (PRONAE 2013). So far, however, food has only been procured from traders, for reasons that will be explored in the next section.

As regards PAA Africa, two different models have been adopted. The first combines, as described in Section 2, some elements of centralisation. In this modality, the WFP procures maize and pulses directly from smallholder farmers' associations in Angonia district, during the commercialisation season from August to October, and then distributes them to Cahora Bassa and Changara districts. Among the advantages of this modality are the possibility of procuring products not always available at the district level, economies of scale and easier compliance with the fortification requirements. On the other hand, the disadvantages include significant logistical, transport and storage costs.

The second modality, instead, aims to test a more decentralised approach for the procurement of horticultural produce, similar to the one implemented by PRONAE. Procurement is done by district authorities using the government modalities and for the school year. As described above, the advantages of this more decentralised modality include diversification of the beneficiaries' diet through the procurement of local fresh products, which are favoured by the short distances, as they require regular delivery or, otherwise, an appropriate (and mostly unavailable) storage system. It also facilitates the development of closer linkages with smallholder FOs located in the district and possibly also near the school. Nevertheless, it is important to note that these advantages are also linked to the size of the districts, meaning the number of schools and distances to be covered and the volume of products and number of contracts to be managed. A huge number of contracts to be managed and long distances to be covered by suppliers to reach beneficiary schools could require a more decentralised system (i.e. at the school level) to achieve these objectives (Milhorance de Castro, Sabourin, and Bursztyn 2015).

Despite the advantages of decentralisation, it must be acknowledged that the implementation of a decentralised IFPP is not an easy task. One of the main bottlenecks observed in the Mozambique experience is the need for the development of human and institutional capacities at the local level for the effective implementation of decentralised systems. In fact, the greater the level of decentralisation (at the province, district or school levels), the greater the number of people and institutions that need to have the necessary preparation to effectively operationalise the programme (see Thai 2008b).

As recognised by Mozambique's Education Strategic Plan (PEE) 2012–2016, institutional capacities at provincial and district levels are still limited, not only in terms of planning and financial management but also in terms of monitoring the implementation of decentralised programmes. This was assessed as an important obstacle to implementing the sector's decentralised programmes and recognised as one of the major challenges to be addressed by the PEE.

The low capacity of local institutions could be clearly observed within the implementation of the PRONAE pilot. The first phase of implementation in the 12 selected schools started in June 2014. The resources were transferred for three months, but before the second transfer of funds, the pilot was interrupted in September 2014. Among the main reasons for this interruption was the difficulty that local institutions had in providing the request accountability for the resources received and procurement undertaken. Interviews revealed that difficulties

for the local institutions also included, for example, opening a separate bank account, which was required for managing the programme.¹⁰ Payments by cash instead of by cheque, as required, and a lack (or low level) of dissemination of the tender process among producers¹¹ were other irregularities reported. Difficulties in—and a lack of capacity for—performing quality control of the food procured is another issue. This will be analysed in Section 6.

As stated by PAA Africa, managing the procurement of food, especially vegetables, is a challenge for district and school authorities because it is an approach of which these institutions (which are linked to the education sector) have no previous experience (Milhorance de Castro 2014). Although decentralisation to the school level was initially planned by PRONAE, the decision to postpone its implementation is also linked with a recognition that the schools are not yet prepared to manage the purchasing and quality control procedures for food products (see Chapter 6). Gradual implementation, first at the district level, could represent a learning process for both districts and schools (*ibid.*; Milhorance de Castro, Sabourin, and Bursztyn 2015).

Despite efforts by both programmes to conduct capacity-building activities to enhance local actors' capacities to purchase food at the local level,¹² the pilots demonstrate that low human and institutional capacities at the local level are still important obstacles to the effective implementation of both IFPP initiatives in Mozambique.¹³ They also demonstrate how challenges regarding strengthening local institutional capacities should be carefully taken into consideration when choosing the best model for the management of the procurement systems, especially when focusing on more decentralised ones.

4 LEGAL ENABLING ENVIRONMENT

The successful development and implementation of an IFPP must also be supported and accompanied by an appropriate legal framework. Without the development and/or adaptation of different laws which not only allow but also facilitate the integration of smallholders into institutional markets, it is very likely that an IFPP would not succeed in its aims of supporting smallholder production and access to markets and, in particular, of acting as a driver of development (Swensson 2014).

The legal framework and legal issues encompass not only the single law that creates an IFPP but also other laws and rules which may directly or indirectly impact its development and implementation. Examples include the definition of the programme's beneficiaries and the existence (or not) of a national legal definition of family farming or smallholder producers; health legislation and rules on food safety and quality control; contract law and its enforcement; rules on land tenure; and tax issues (*ibid.*). There are two key legal issues linked to IFPPs that can be analysed within the context of Mozambique and the scope of this study: (i) the regulation of public procurement; and (ii) the legal structure and regulation of smallholder producer organisations. Section 5 discusses operational issues related to food safety and quality control.

The main issue in the regulation of public procurement for IFPPs is that public procurement legislation usually imposes a procurement procedure (an open tendering or bidding process), which, due to its complexity and high level of requirements, may hinder participation in institutional markets by a section of the population—the smallholder producers—which cannot easily compete with larger producers and traders under these same conditions.

The rationale for the specific regulation of public procurement is its economic and political relevance. The main objectives of the law and of the complex procurement process it generally imposes is to guarantee the best value for public money, ensure transparency and prevent fraud, waste, corruption or local protectionism during the government procurement of goods and services. It often leads, however, to a procurement procedure that is highly complex, bureaucratic, and incompatible with the characteristics and capabilities of smallholder suppliers.

Within the policy aim of using public procurement to achieve a specific socio-economic goal, such as supporting smallholder production and their access to institutional markets, the standard procurement procedure is, usually, incompatible and may act as a hindrance to proper policy implementation (OECD 2012; Thai 2008b). Indeed, in many countries the complex procedure imposed by public procurement regulation represents one of the main barriers to entry for smallholder farmers and enterprises trying to tap into the public sector's demand for food. This is what was also observed in Mozambique regarding the implementation of PRONAE and PAA Modality 2, which adopt the standard open tendering procedure for the procurement of food.

In Mozambique, public procurement is regulated by Decree No. 15/2010. The Act applies to all organs and institutions of the State (at the centralised and decentralised levels) and regulates all types of public contracts concluded by the government and one or more economic operators having as objective the execution of works, the supply of products or the provision of services, including, therefore, the procurement of food for school feeding programmes. The Act imposes three different systems and related procurement procedures (i.e. methods): i) a general system (i.e. open tendering); ii) a special system applied to procurement arising from international agreements or projects funded by an agency and multilateral cooperation organisations; and iii) an exceptional system which establishes six different procurement procedures, including 'direct adjustment'.

Direct adjustment represents a more simplified procurement procedure. It was created as an exceptional measure to be used under very specific conditions (such as in emergency situations; in times of war or serious disturbance of public order; following a lack of competitors in a previous competition; and for the supply of military equipment). The exceptional procedure can also be used when the procurement of goods estimated is under MNZ87,500 in total (around USD2000).

The procedure, although more simplified and easier to manage, especially from the buyer's point of view, was not designed to be adapted to the characteristics and capabilities of smallholder supply or to support smallholder participation in public markets. It does not include among its selection criteria, for example, any social parameters, but, as in the standard open tendering procedure, is based on the lowest price. As the justification for its use is based, among others, on the low value of the purchase, the act expressly prohibits splitting the contract into smaller lots to reach the required threshold for applying the direct adjustment modality. Therefore, although it could be used by a small pilot initiative, it is not a sustainable procedure to be used at larger scale on school feeding programmes. In the great majority of cases, for school feeding the procedure applicable is the standard one (i.e. open tendering).

The standard open tendering procedure is very slow and bureaucratic, as it must follow, according to the public procurement legislation, seven different steps. Furthermore, the selection of the supplier must be based on the criterion of lowest price. Only in exceptional cases when the lowest-price criterion is not feasible, a combination of price and technical evaluation can be applied but this must, however, be justified. In addition, the procedure must treat all competitors exactly the same and ensure the selection of the most advantageous offer (understood as the cheapest one).

These criteria, and especially the selection based solely on the lowest price, represent an important barrier against smallholder supply. Indeed, although the aims of PRONAE include supporting local smallholder producers, particularly those located near the schools, the regulation of the public procurement procedure does not provide the proper instruments to reach these aims. As recognised by MINED, at the time of the mission, the pilots almost exclusively benefited local traders instead of smallholder producers, as they can more easily comply with the requirements of the public procurement procedure.

It is important to also mention that important limitations on smallholder participation in the bidding process are directly linked to operational issues. According to the legislation, both individuals and formal groups can participate in the open tendering or in the direct adjustment procedures, but they must present documents to prove their legal, economic, financial and technical qualifications and their fiscal regularity. Participants must also have a bank account. As we will see in Section 5, obtaining these documents and having access to a bank represent great difficulties for smallholder producers in Mozambique.

The need to adapt standard procedures to the capacities and characteristics of smallholders to support their access to markets was also recognised by the WFP. Although the WFP's standard procurement procedure is not subject to a public law, but to the institution's internal regulation, it was, in the same way, designed based on the best value for money and open competition. However, to implement P4P and supply from smallholder producers, the WFP had to adapt it, as described in Table 7.

TABLE 7

Comparison between the WFP's regular (national/regional) and P4P procurement procedures

Parameter	Regular local/regional WFP procurement	WFP procurement through P4P
Suppliers	Pre-qualified suppliers (mostly larger traders) with legal standing, financial capacity, delivery capacity and good performance record	Pre-qualified farmer organisations and small and medium traders
Contracting mechanisms	Competitive tenders	<ul style="list-style-type: none"> • Direct contracts • Soft tenders • Competitive tenders • Forward contracts • Warehouse receipt system
Price	Determined by authorised contracting mechanisms but not to exceed import parity	Determined by authorised contracting mechanisms but not to exceed import parity
Quantities	Preference for relatively large quantities	Will consider much smaller quantities to accommodate suppliers' capacity
Performance bond	5–10%	None
Quality	WFP standards	WFP standards
Bagging	Bagged in 50kg bags and marked with WFP logo	Flexible to accommodate capacity of supplier (WFP may subsidise marked bags and/or waive marking)
Delivery terms	Delivery duty unpaid (DDU) to specified WFP warehouse on specified date	Flexible (WFP may collect the commodity, modify delivery to the nearest warehouse, allow extended delivery times etc.)
Payment	30–60 days	≤ 14 days

Source: WFP (2012).

The WFP example illustrates that adaptations can be made, taking into consideration the capacities and characteristics of smallholder supply but still maintaining the core principles that protect the interests of the institutional buyers, such as import parity prices and quality standards.

The need to adapt Mozambique's standard procurement procedures for the effective implementation of IFPPs is largely recognised by the main implementers of both PRONAE and PAA Africa. Advocating for this change is one of the objectives of PAA Africa's participation in PRONAE's multisectoral group, which, as already mentioned, also aims to reach different stakeholders and, in particular, higher-level government representatives who can effectively support such legislative change. By the time of the mission, a meeting had been planned but not yet scheduled.

Another important legal issue regards the legal structure and regulation of smallholder producer organisations. Producer organisations are largely recognised as a key mechanism for supporting smallholder producers' access to markets and improving the benefits of market participation, as well as a means of promoting equitable growth and poverty reduction (Bernard and Spielman 2009; Kariuki and Place 2005; World Bank 2008). FOs are, indeed, the main model adopted and supported by most IFPP initiatives for linking smallholder producers to institutional markets, including PAA Africa, P4P and both Brazilian IFPPs.¹⁴

Nevertheless, despite its potential, access through FOs also poses several challenges, including their legal structure and regulation (see Swensson 2016). As recognised by FAO on the occasion of the International Year of Cooperatives, cooperatives and producers' organisations are able to thrive and act as a vehicle for inclusion and market integration for their members. However, this will be possible only if they are empowered and have an appropriate enabling environment that includes conducive and appropriate regulatory and legal frameworks.

Inadequate regulation of FOs may pose significant problems. It may limit FOs' utility and restrict their functioning. An inadequate legal structure of formal organisations can hinder the organisation's performance and become an obstacle for their long-term development (González, Johnson, and Lundy 2006). Producers usually have two main legal structures they can adopt for their organisations: non-profit association or cooperative. This also applies in Mozambique.

One of the main characteristics of non-profit associations in any legal system—including in Mozambique—is that they do not have a commercial purpose, cannot pursue profit and cannot share any eventual gain among their members. In a non-profit association when profits are earned, they cannot be distributed. Due to their intrinsic characteristics—including the non-profit regime, the lack of capital and the nature of their liability—non-profit associations have been assessed in different contexts as not being the most appropriate legal form for the organisational structure of smallholder producer organisations, especially from a market access perspective (Swensson 2012; González, Johnson, and Lundy 2006).¹⁵ They are usually incapable of being adapted to all the functions and activities that formal groups of smallholder producers are expected to perform within their aim of market access. These are, in practice, mostly commercial and profit-oriented.

However, non-profit associations are the most chosen option among smallholder producers. This choice is mainly linked to the characteristics and regulations of the other legal structure available, the cooperative. Indeed, the choice of a legal structure is most often motivated by comparison of the advantages and disadvantages of the different structures offered by the legal regime, and not by an isolated analysis of just one of them.

As observed in the Brazilian IFPP experience (PAA and PNAE), for example, the complex structure imposed by the heavy and out-of-date regulation of cooperatives makes this model inadequate for the smallest producers and prompts a choice for the non-profit association—less bureaucratic and easily managed—despite its disadvantages regarding market access (Swensson 2014). The main recommendation in these cases is to adapt or adopt new legislation to regulate an appropriate legal structure for smallholder FOs.

Although further research needs to be done, it is very interesting to note that in Mozambique this is not exactly the case. According to the interviews, non-profit association is the most chosen option for organisations of smallholder producers, including those who aim to access both IFPP initiatives. However, the reason for this choice is not directly linked to the characteristics and regulation of cooperatives.

Mozambique developed a new law for cooperatives in 2009 (Law No. 23/2009) which is more flexible and requires fewer members than a non-profit association to be constituted (5 instead of 10), and its registration process (one key operational bottleneck) is simpler than the one for a non-profit association (see Milhorance de Castro 2014). Furthermore, it also automatically guarantees commercial registration. However, despite these advantages, the majority of producer organisations in Mozambique still do not chose this model.

The justifications provided in most of the interviews are for historical and cultural reasons. Producers do not choose the cooperative model—despite its advantages—because the idea of ‘cooperativeness’ is still linked in people’s minds to the previous communist regime where they were forced to organise their economic activities under this legal structure. With the failure of the communist system (which was also associated with the failure of the cooperative system), the cooperative became a stigmatised institution in Mozambique. In its place, the model of non-profit associations was encouraged for many years.

Despite the efforts of the recent legislation, therefore, FOs still adopt a legal structure which is not perfectly adapted to their objectives of market access. This experience in Mozambique shows how historical and cultural aspects can have a key impact and also how changes at the legislative level—although a prerequisite and a fundamental step—may not be enough. A better understanding of the difference between the two models provided by Mozambique’s legal framework, including the comparative advantages and disadvantages, could be useful as direct support through PRONAE and PAA Africa to help producers choose the most appropriate one. Furthermore, as we will see below, operational aspects related to the requirements and bureaucracies of the legalisation process of non-profit associations were reported as one of the main challenges faced in the implementation of both PRONAE and PAA Africa.

5 OPERATIONAL ISSUES

Operational issues can have a key impact on the success of IFPPs, preventing smallholder producers with the potential to supply institutional markets from participating in these programmes. The pilot initiatives of both PRONAE and PAA Africa provide important opportunities for identifying operational bottlenecks and informing the rethinking of some aspects of the legal, institutional and policy frameworks.

Indeed, the main challenge reported by PRONAE and PAA Africa implementers for the effective implementation of the initiatives regards an operational issue: the issuing of NUIs,

tax registration numbers. The NUIT is required for (i) participating in public procurement; (ii) opening a bank account (mandatory for participating in the programme); and (iii) registering an FO as a non-profit association or a cooperative. In the case of FOs, the NUITs of all the members and of the organisation itself are required.

One of the main issues is that the NUIT is only issued at the provincial level. Producers may travel long distances to reach the office responsible. Often the system is out of order, and after a long trip producers are unable to register and must return later. In the case of FOs, as it is necessary first to obtain the NUIT for each and all of the producers and only after that the NUIT for the FO, one single journey may not be enough. Similar problems affect the opening of bank accounts, as not all districts have a bank, forcing producers, again, to travel long distances.

The difficulties in obtaining these documents, together with the difficulties in opening bank accounts and other bureaucratic requirements necessary for the registration of FOs have been having a huge impact on the implementation of both IFPP initiatives.

As regards PAA Africa, the lack of NUITs and of bank accounts was assessed as the main reason for the delay in setting up contracts, making it impossible for the WFP to effectuate payments and formally transfer funds to farmers through the programme (Clements 2015). Getting the whole set of documents to legalised FOs was also identified in the PAA Africa Phase 1 country report as the main bottleneck in the implementation of the project in Angonia and still a major constraint in some districts, even with the direct support of PAA Africa and the complete involvement of the local authorities (PAA Africa 2014).

In both IFPP initiatives the result of this operational issue is that smallholder producers are not being able to access the programme. For PRONAE, for example, without having the required documents to be able to take part in the procurement procedure, producers are having to deliver their products to local traders which have the NUIT and the bank account required for taking part in the bidding process. Indeed, although the objective of the programme is to procure directly from smallholder FOs, PRONAE's main implementers recognise that in the great majority of cases it has not been possible yet. Local traders won the tendering process and were supplying the programme, and not always only with products produced by smallholder farmers. The lack of documentation, together with the standard public procurement procedures—not adapted to the characteristics and capabilities of smallholder supply—were reported as the main factors that contributed to this situation.

This operational challenge can, however, inform rethinking of some aspects of the legal framework and the institutional and policy environment. It can be seen, for example, as a reflection of the lack of effective multisectoral collaboration at the three different levels. It indicates how a greater involvement of the Ministry of Finance (the institution responsible for issuing the NUIT) could be extremely useful in finding solutions at the local level, such as the suggested taskforces for issuing the documents as were established for cotton projects, but also for advocating for possible adaptations at higher and legislative levels (see (Milhorange de Castro, Sabourin, and Bursztyn 2015)). It also highlights the importance of strengthening institutional capacity at the local level. This operational challenge is also directly linked with the legal framework and could inform changes to both the existing requirements for participation in the public procurement procedure and the registration process for FOs.

In this context, the pilot initiatives are an excellent opportunity to inform these changes, before the scale-up and implementation of PRONAE at the national level. If they are already significant challenges for the pilot initiatives on a small scale, such operational difficulties can represent a major problem when scaling up and implementing a national programme.

Another important operational issue that must be mentioned regards the quality of the products procured and safety controls, as also recognised in PAA Africa and P4P reports. The first observation to be made is that for the procurement of maize and beans there are specific standards of quality analysis that were developed in the country with the support of the FAO. However, there are no such standards for horticulture. Furthermore, Mozambique still lacks proper legislation on food safety and quality control.

In the case of the pilots, where the WFP is still responsible for procuring maize and beans, quality and safety controls are done at a more centralised level, through samples and laboratory evaluation provided by a foreign company. However, the implementers often pointed out that the costs of this procedure and the more centralised approach were not completely compatible with the scale-up of PRONAE and its desired decentralised system. In the case of horticulture, and as mentioned by the WFP, there is no laboratory company able to do this type of analysis in the country and no regulation in this regard. In this case, and for all the products purchased through PRONAE's pilot, quality and safety controls are done locally, at the district or school level.

On the one hand, the WFP recognises that the model that was adopted based on samples and analysis by a foreign laboratory company would constitute a challenge for scaling up the programme. If a more centralised approach should prevail, it would require the development of a national system (together with MISAU and MINAG) able to provide this type of service at field level. On the other hand, in a decentralised system with quality and safety controls at district or school level the issue of local institutional capacity becomes, again, of key importance. It will require considerable investment in training and human and institutional capacity to be properly implemented. Although PRONAE has been providing specific training to school and district managers, opinions on the effectiveness of the system are still varied. Some stakeholders reported that, despite the difficulties mentioned (lack of standards, low institutional capacities etc.), food safety and quality controls are being performed quite well and could be a good option. Others, however, have reported that, despite the efforts being made, this is not the case. Especially in the case of schools, they are not prepared to manage safety and quality control processes and would require a strong capacity-building process.

Due to the short period of implementation of the PRONAE and the PAA Africa pilots, it was not possible, by the end of the mission, to draw clear conclusions. Nevertheless, quality and safety controls constitute a highly important issue that must be carefully taken into consideration and addressed when choosing the most appropriate system to be adopted within the scale-up of PRONAE. The advantages of a more decentralised system must be weighed against the challenges. In this case, again, the pilot initiative is very important to inform the strong need for improved institutional capacities. It also informs the need for advances in the legal framework, especially regarding legislation on food safety and quality control.

Furthermore, it is important to mention that there are also other operational issues such as storage, transportation and payment delays that are also reported as important obstacles to the implementation of IFPPs promoting smallholder supply.

6 CONCLUDING REMARKS

The case study demonstrates how the success of the implementation of a decentralised institutional food procurement initiative is directly connected to its policy, institutional and legal enabling environments. Looking at the main challenges assessed by the two IFPP experiences in Mozambique (such as the lack of formalised FOs with NUTs and a bank account; quality control of food; the inadequacy of the public procurement procedure; and poor management at the local level) and the analysis done in this study, it is possible to see strong connections among them.

Mozambique's experience, in fact, validates the assumption that policy reform is not enough, if the institutional and legal frameworks are left unchanged. To be effective, policy reforms need to be accompanied by alignments in these frameworks, and this is not always an easy process to undertake. The country's experience also demonstrates that if, on the one hand, policy, institutional and legal frameworks have a direct impact on the implementation of pilot initiatives, on the other hand, pilot initiatives can play a key role in informing adaptations and changes needed in the policy, institutional and legal frameworks. One example is the difficulties faced by the pilots in procuring food directly from smallholder producers due to the inadequacy of the public procurement procedure. After experiencing this direct impact of the legislation on public procurement on the implementation of the pilot, the pilot initiatives were key to informing the need for legislative reform.

Another key role of the pilot initiatives in Mozambique is to test different procurement models to be adopted when scaling up the programme to the national level in the future. The choice of the most appropriate procurement model is a fundamental issue for the implementation of an IFPP. Although decentralisation is largely recognised as a good strategy for reaching local and smallholder producers, its implementation presents important challenges, as observed in this study. The greater the level of decentralisation, the greater the institutional adaptations and local capacity needed to make the system work. Furthermore, decentralisation will only work effectively if accompanied by an adequate procurement procedure which not only allows but also supports the inclusion of smallholders in institutional markets.

The testing of different procurement models through the PRONAE and PAA Africa pilot initiatives allows, therefore, a better understanding of the main challenges and opportunities of those models within the country context. The pilots are useful for informing not only the adaptations needed to the policy, institutional and legal enabling environments but also the choice of the most appropriate model for scaling up PRONAE based on the country's characteristics and capabilities.

As regards this choice, what we could observe is that within Mozambique's policy, institutional and legal context, a fully decentralised model, such as the one adopted by PRONAE, may not necessarily be the most appropriate for all types of products. A combination of a more centralised model, such as the one adopted by PAA Africa pilot 1, for the procurement of certain types of products (such as grains) with a more decentralised one (at the district or school level) for the procurement of fresh products could also constitute a good option to consider. It could provide economies of scale and better procedural and quality control systems (as well as a greater likelihood of complying with fortification requirements) for the procurement of grains from smallholder FOs, while combining the advantages of a more decentralised system (shorter distances and periods of storage, and increases in the variety of food) for the procurement of fresh products.

The study also observed that there are other important topics which deserve further investigation. These include food safety and quality controls and the legal structure adopted

for the organisation of smallholder producers. Their importance was already perceived in the implementation of the pilot initiatives, and will be significantly higher in the scale-up of the IFPP operations to the national level.

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NOTES

2. Purchase for Progress (P4P) is a WFP pilot initiative launched in 2008 in 20 countries. Its main aim is to “pilot and learn from innovative programme and food procurement activities that have the best potential to stimulate agricultural and market development in a way that maximizes benefits to low-income smallholder farmers” (see <<http://www1.wfp.org/purchase-for-progress>>). P4P represented an important modification to the WFP’s traditional import strategy by procuring food not only locally, but also directly from low-income smallholder farmers. Through P4P, the WFP aims not only to provide a stable demand for smallholder producers through a smallholder-friendly procurement system, but also to support capacity-building at the country level’.
3. In the second semester of 2015 (September to December) the first round of procurement purchased a total of 29.97 MT of vegetables (16.15 MT in Changara district and 13.79 MT in Cahora Bassa) (IPC-IG 2017).
4. This includes the New Partnership for Africa’s Development (NEPAD) and its model Home-Grown School Feeding Programme.
5. The foods selected for the first phase of implementation were vegetable oil and wheat flour to be fortified with iron, zinc, folic acid and B-complex vitamins (for oil) and vitamin A (for wheat flour). A second phase of the programme foresaw the approval of legislation making fortification and consumption of fortified oil and wheat flour mandatory and increasing the number of products (including maize) to be fortified. Fortification is done locally and on a large scale by medium and large millers and food processors.
6. According to PRONAE, the procurement of food products (including cereals, beans, vegetables and fruits) should be done by districts or, as initially planned (but not yet implemented at the time of the research), even by schools. The main idea is to procure directly from FOs located near the schools, which should also regularly deliver the products directly to the schools.
7. BMM is a government-led commodity exchange established by the Government of Mozambique with the overall objective of creating a well-coordinated market structure for the agricultural markets in Mozambique, resulting in a win-win situation for all stakeholders.
8. It is interesting to note the participation in both groups of the Technical Secretariat for Food Security and Nutrition (SETSAN), which is itself a multisectoral structure whose function is to ensure the coordination and articulation of policies, planning, evaluation and monitoring of food and nutrition security programmes and activities within a multisectoral framework at various levels.
9. The three pillars of PRONAE are: (i) improvement of students’ health and nutrition status; (ii) food and nutrition education in schools; and (iii) development of (students’) abilities for agricultural production (PRONAE 2013).
10. In some districts where banks were not available and where local institutions were not so committed to the programme, the opening of the account has taken months, hindering the implementation of the programme.
11. As reported by Milhorange, Sabourin and Bursztyn (2015), inappropriate dissemination of information about the tender process, despite the use of community radio, could be clearly observed in the case of PRONAE implementation in the district of Ribáuè, Nampula. In this district, well-structured FOs located 4km from the purchasing school did not participate in the tender process because, among other reasons, they did not receive information about it. In this district, purchasing processes were completed by taking into account only local traders, who bought their products in the provincial capital, Nampula, and not from local producers.
12. Before implementation of the pilot started, PRONAE provided specific training for representatives of province and district governments and of the multisectoral groups, school principals, managers of school feeding at the province, district and school level, and representatives of the local community. Forty people were trained in 2012 (in Gaza) and 134 in 2013 (in Manica, Tete and Manpula) on management, logistics, local procurement and accountability. For more information regarding training provided by PAA Africa, see Table 2.
13. The precariousness of human resources available to work on the implementation of the programme was also recognised by the PRONAE consultant team within the project ‘Support the Development of a National School Feeding Programme in Mozambique’, who reported the little contact of the participants with written materials and the need to adapt the training material used in the first trainings. Moreover, in the design of its second phase, PAA Africa (2014) explicitly recognised the need for further support to enhance the local authorities’ capacity to purchase food at the local level.
14. In the Brazilian case, although individual access is also possible, the development of FOs (in the form of cooperatives and associations) is mentioned as one of the explicit objectives of PAA Africa.
15. As reported in a study commissioned by the Cooperative League of the USA (VA, CLUSA, and USAID 2007), in Mozambique, non-profit associations are rarely seen within the commercial sphere—a fact that limits their access to financial institutions and their commercial development, as this type of organisation was not conceived with this scope.



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ISBN 978-92-5-109921-6



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17793EN/1/09.17