

EXECUTIVE SUMMARY

Mozambique has great potential for a highly productive farming sector, especially where good practices are introduced. With the use of improved, higher yielding seed varieties, simple improved cropping practices (improved farm management) and fertilizers (where economically viable), crop yields could be more than doubled.

In that context, the project seeks to work within the framework of the Government's Food Production Action Plan to promote and protect food and livelihood security of farmers through sustainable seed value chain interventions to alleviate the effects of soaring food prices. This will be done through three complementary but semi-independent components focussing on i) seed multiplication and marketing ii) strengthened national seed services; and iii) input support to small holder farmers in high potential areas.

Seed Multiplication and Marketing

There is currently a high demand for improved seed varieties both within Mozambique and the surrounding countries based on information from MINAG and private seed companies. When combined with appropriate fertilizers and good agriculture practices, yields have the potential for substantial increases. As such, the project would provide tools, fertilizers, pesticides, and a training package to 5 000 farmers organized into farmers associations who would produce certified seed with marketing linkages to the private sector.

The installation of a seed processing plant is an appropriate complementary action as the production of seed for commercial purposes requires a higher standard of post harvest processing (including correct cleaning, grading, calibration, drying, and packaging). The ownership and operation of the plant by a farmers' association company would further strengthen their involvement and ownership of the seed production process.

Seed Services

A key aspect of seed production efforts is certification and quality control by the national seed services. While technicians and some infrastructures are in place, the national seed services need an initial capital investment combined with specialized training order to play their role effectively in the seed value chain. The project would rehabilitate/construct and equip seed laboratories in five key provinces so that the laboratories could provide services to farmers associations and private sector companies in their geographic area of coverage. Means of transport would be provided so that technicians can get out in the field to visit their clients.

Input Voucher System

The input voucher system would provide immediate relief from high input prices to targeted farmers through a 50 percent subsidy at levels determined through assessments and analysis conducted by the MINAG. The subsidy will include access to the types of improved seeds being multiplied by the farmers associations but there will not be any direct linkages as this would have to be an artificial construction which would not survive beyond the project. Rather, private sector input delivery systems will be strengthened, and they may or may not source some of their seed from the farmers associations. The increased production would contribute to the farmers' food security while at the same time making a modest contribution to local food supply. The inputs would be accompanied by an extension package designed to maximize the use of the inputs in a sustainable fashion. The use of the private sector to deliver the inputs would strengthen and develop supply chains in rural areas.

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ACRONYMS

CA	Conservation Agriculture
DNEA	National Directorate of Agricultural Extension
DNSA	National Directorate of Agricultural Services
DPA	Provincial Directorate for Agriculture
FAFA	Financial and Administrative Framework Agreement
FAO	Food and Agriculture Organization of the United Nations
FFS	Farmers Field School
GDP	Gross Domestic Product
IFAD	International Fund for Agricultural Development
IIAM	National Agricultural Research Institute
LoA	Letter of Agreement
LIFDC	Low-income Food-deficit Countries
MDG	Millennium Development Goal
MINAG	Ministry of Agriculture
NGO	Non-governmental Organization
NVAC	National Vulnerability Assessment Committee
PIU	Programme Implementation Unit
PMU	Project Management Unit
SADC	South African Development Community
SNS	National Seed Services
TCE	Emergency Operations and Rehabilitation Division (FAO)
TIA	Agricultural Census

1. BACKGROUND

1.1 General Context

Mozambique is one of the least developed countries, where over 80 percent of the country's vulnerable households live in rural areas. The per capita annual income is USD 230, which is among the lowest ten in the world¹. The country is still recovering from a devastating civil war which lasted for almost two decades. Although the country is making a remarkable recovery, with an average annual economic growth of 8 percent between 1996 and 2004, the poverty indicators are still high. The regular occurrences of natural disasters, such as floods and droughts, have led to conditions of transitory food insecurity in several parts of the country every year. Levels of chronic malnutrition remain high throughout Mozambique and 54 percent of the population continues to live under the poverty line.

Approximately 80 percent of the population are dependent on agriculture for their livelihoods. According to the comprehensive food and nutrition security monitoring carried out in May 2008 by the Technical Secretariat for Food Security and Nutrition, a cumulative figure of 540 630 people are chronically food and nutrition insecure in the country. In addition, the current 2008/09 agricultural season, characterized by late rains in the south and flooding in the central regions, has left even more people vulnerable to food and nutrition insecurity.

Shortages of sufficient basic food commodities due to lack of established food value chains and increases in prices on the international markets have provoked soaring food prices in the country, with the greatest impact on the net food buyers in the rural and urban areas. Basic food prices have soared and unrest in protest of price increases has occurred in major urban areas. The Food and Agriculture Organization of the United Nations (FAO) food price index averaged 23 percent higher in 2007 compared with 2006, as international commodity prices (in USD terms) increased sharply throughout the past year. Many factors have contributed to the current situation of soaring food prices. Mozambique needs to find a solution to counter the trend of food price increases, and one of the potential solutions is to increase the production and utilization of local food products in order to decrease dependence on food imports.

The current project will be set within the context of the Initiative on Soaring Food Prices launched by FAO and will complement other projects in response to Government plans under the same initiative.

1.2 Sectoral Context

Mozambique faces the challenge of converting its dependence on emergency seed supply programmes to a sustainable delivery system for seed of improved varieties. Farmers need more consistent access to quality seed, and national crop improvement programmes need an efficient delivery system for new varieties. Limited development of seed production and market infrastructure (in part due to the high costs) are two of the main drawbacks to these efforts.

Although the country has a high demand for seed, local/domestic production capabilities remain small, aggravated by difficulties faced by the National Agriculture Research Institute (IIAM) in maintaining pre-basic seed stocks of its released varieties. Commercial investment is limited to the production of small quantities of maize and rice seed for the most readily accessible markets. Most of the nation's commercial and public seed supplies are still imported. This leaves the

¹ The country ranks 168 out of 177 countries in the United Nations development index.

country with inadequate seed supplies and resorting to considerable imports, including agricultural instruments, from neighbouring countries.

1.3 Sectoral Policy and Legislation

The production of improved seed is one of the main pillars of the Mozambique Green Revolution which is a strategy directed at developing national agriculture that is crucial to the alleviation of poverty and food insecurity. The Green Revolution aims to address the following main constraints affecting the seed sub-sector:

- inadequate availability of pre-basic seed for basic food crops;
- inadequate availability of improved varieties of seed due to lack of local production, giving rise to mixtures of seed varieties in circulation on the national market;
- producers' limited access to good quality improved seed and other inputs;
- high prices for the certified seed that is available on the market;
- weak agricultural marketing network, which discourages producers from investing in the purchase of agricultural inputs; and
- limited presence of agricultural input retailers in the rural areas.

The Government's Food Production Action Plan 2008–11 is designed to operationalize the Green Revolution Strategy. The Seed Component of the action plan covers the following priority aspects, which will enable the revitalisation of the seed value chain in Mozambique:

- investment in the production of high-yield varieties of pre-basic and basic seed, involving the regional agricultural research centres (of IIAM), in partnership with seed production companies;
- revitalisation of national seed production through programme contracts with seed production companies;
- support to producer associations for local seed multiplication and capacity building through the use of seed processing equipment;
- strengthening and expansion of the seed marketing network through:
 - training of rural input retailers; and
 - establishment of credit lines for marketing and investments (for the rehabilitation of warehouses), prioritising the rural areas with high potential;
- strengthen the seed quality control services through:
 - supplying the regional and central seed laboratories with laboratory equipment and current (financial) assets for seed inspection in the field and supervision of the commercial network; and
 - recruiting and training seed inspectors.

2. RATIONALE

The FAO Food Price Index increased to a record high in June 2008 (over 84 percent higher than in June 2007). From July 2008 to February 2009, there has been a decrease in the FAO Food Price Index, though it is still 20 percent above the 2006 level. Many factors have contributed to the current situation of soaring food prices. Income and population growth in China, India and other large developing economies are contributing factors on the demand side, particularly as income growth tends to increase food demand and shift dietary patterns towards high-value foods. Other factors include the demand for cereal feedstock for biofuels and the possible impact of markets that use financial instruments linked to the functioning of agricultural commodity

markets. On the supply side, there have been short-term shocks due to adverse weather conditions. Higher oil prices have increased prices for agricultural inputs (fuel and fertilizer) and freight rates. Low agricultural commodity prices during the early years of this decade reduced production incentives. At the same time, global stocks for many food commodities are at their lowest levels.

In Mozambique, food production is inadequate, requiring considerable commercial food imports. The Food Production Action Plan indicates a 1 million tonne deficit of various food products, including rice, wheat, maize, Irish potatoes, chicken, fish and cooking oil. The highest deficit is in cereals with wheat and rice showing a deficit of 469 000 and 316 000 tonnes respectively. The other food deficits include 169 000 for Irish potatoes, 54 000 fish, 50 000 for cooking oil and 24 000 for chicken. Emergency aid through food distribution by the World Food Programme and non-governmental organizations (NGO's) has reduced the food deficit gap, while FAO and NGO's have also supported food production through the provision of agricultural inputs, such as seed and tools.

Mozambique's agricultural production per person is increasing at a rate of 1.7 percent per annum, while its population is growing at a rate of 1.8 percent², thus the country needs to increase its agricultural production to feed its rapidly growing population. Increases in food production can be achieved by increasing the area under cultivation or by using inputs such as fertilizers, improved seed varieties and integrated pest management. Mozambique's crop yields are low compared with other African countries due to limited improved input use in terms of seed; most farmers are recycling seed rather than purchasing new stocks.

The project addresses the need to intensify seed production, quality control and marketing including making available other agricultural inputs to contribute to food security, hunger reduction and rural development. High-quality seed varieties and agricultural inputs will improve current low levels of agricultural production and productivity in Mozambique.

2.1 Problems/Issues to be Addressed

Several factors are affecting the country's seed value chain and agricultural input supply from grassroots levels. Set within the Government's Food Production Action Plan, the project will provide support to address the following problems:

- lack of sufficient quantities of high-quality seed varieties;
- lack of sufficient seed processing facilities;
- poor seed quality control facilities in the country;
- reduced access to transport for Government extension workers in seed certification process;
- lack of public awareness of the national seed policy;
- increases in prices of agricultural inputs (seeds and implements);
- staple food production (the livelihood of the majority of the population in Mozambique);
- inadequate agronomic practices.

2.2 Stakeholders and Target Beneficiaries

The main stakeholders in the project will be the MINAG and other line ministries, IIAM, private sector seed producers, NGO's, farmers associations, input suppliers, and small holder farmers.

² 2007 estimate based on the 1997 Mozambican population census figure of 16,099,246 and takes into account the effects of excess mortality due to AIDS (<https://www.cia.gov/library/publications/the-world-factbook/print/mz.html>)

The project will work with three main types of beneficiaries in its three components within the six provinces targeted for the project - Manica, Zambézia, Nampula, Gaza, Maputo and Tete. The provinces were selected based on the following criteria:

- Province identified in the National Food Production Action Plan as a potential producer of the specified crops (based on factors such as rainfall, soil type, etc);
- High population density and contribution to national food security;
- Existence of an extension service network, infrastructure and seed market;
- Proximity to a Regional Seed Quality Control Laboratory;
- Past experience in seed production; and
- Presence of seed conservation and processing infrastructures.

The provinces will remain common for all components of the project, but the beneficiaries will not overlap.

A total of 30 000 direct beneficiaries will be targeted.

2.2.1 Beneficiary Selection for Each Result:

2.2.1.1 Seed Multiplication (Results 1 and 2):

5 000 farmers working through approximately 200 farmers' associations who will be selected according to the following criteria:

- Appropriate location for specific type/variety of seed according to the agro-ecological zone;
- Farmers associations with experience in commercial seed production of certified seed;
- Existing linkages or potential for linkages between the farmers' associations and private sector seed companies (for example through outgrower or marketing schemes)
- Isolated land areas suitable for seed production;
- Existence of irrigation facilities and necessary machineries;
- Technical knowledge and skill on seed improvement and production of improved seed; and
- Producer farmers or associations certified by the SNS/Provincial Directorates of Agriculture (DPA).
- Approximately 25 percent targeted to be female farmers within the associations.

Indirect beneficiaries will be small holder farmers in the surrounding areas who will have better access to improved varieties of seed due to the multiplication activities of the project.

2.2.1.2 Seed Services (Result 3)

Five provincial seed quality control laboratories and 100 public and private extension workers involved in training in seed production and quality control activities. Indirect beneficiaries will include farmers surrounding the laboratories who will have improved access to these services.

2.2.1.3 Input Voucher System (Result 4)

25 000 small holder farmers selected according to the following criteria:

- Farmers located in the high potential agricultural districts as identified in the National Food Production Plan;
- Farmers with land areas of at least 1 ha with experience in cultivation of improved crop varieties and fertilizers identified in the National Food Production Action Plan 2008-2011;

- Capacity to contribute at least 50 percent of the technological package introduced by the Government Food Production Programme;
- 25 percent to be female headed households.
- Existence of a reliable and trained agricultural input supplier;
- Existence of public and private extension service network, infrastructure.

2.3 Project Justification

Mozambique has great potential for a highly productive farming sector, especially where good practices are introduced. With the use of improved, higher yielding seed varieties, simple improved cropping practices (improved farm management) and fertilizers (where economically viable), crop yields could be more than doubled. The Government already has a Food Production Action Plan and appropriate seed policies, but external support is required for the implementation, in addition to the Government's own budget.

In that context, the project seeks to promote and protect food and livelihood security of farmers through sustainable seed value chain interventions to alleviate the effects of soaring food prices. This will be done through three complementary but semi-independent components focussing on i) seed multiplication and marketing ii) strengthened national seed services; and iii) input support to small holder farmers in high potential areas.

In choosing the three components the project seeks to address the medium term issues regarding the availability and quality control of seed supply while at the same time providing direct input subsidy support for increased smallholder production. The project components were also chosen to be complementary to Government and other stakeholder efforts within overall framework of the Government's Food Production Action Plan, concentrating on areas where FAO can have the most value added.

Seed Multiplication and Marketing

There is currently a high demand for improved seed varieties both within Mozambique and the surrounding countries based on information from MINAG and private seed companies. When combined with appropriate fertilizers and good agriculture practices, yields have the potential for substantial increases. As such, the project would provide tools, fertilizers, pesticides, and a training package to make the maximum use of the inputs in a sustainable way. With an initial investment of inputs and training, farmers' associations can play an important part in producing certified seeds for sale through linkages with private sector seed companies. On average, the price of certified seed produced by a farmer is USD 0.77 per kg, as compared to USD 0.10 per kg for simple grain for consumption. This means that the certified seed price produced by the farmer is over 700 percent higher than grain and thus the members of the farmers associations can potentially increase their incomes through this value-added activity.

Private sector seed companies can benefit from an expanded grower base with the initial start up costs subsidized through this project. In the medium term, the increased domestic availability of improved seed varieties would benefit an expanding number of small holder farmers not covered by the project who could purchase the seed as part of a package of activities to increase their own production.

The installation of a seed processing plant is an appropriate complementary action as the production of seed for commercial purposes requires a higher standard of post harvest processing (including correct cleaning, grading, calibration, drying, and packaging). The ownership and operation of the plant by a farmers' association company would further strengthen their

involvement and ownership of the seed production process. In addition, the existing State seed processing plant, SEMOC would not be able to service the increased production.

The medium term expectation would be an increased supply of locally produced certified seeds available in the market to enhance crop production and productivity while increasing competitive seed supply with a view to lowering prices (for example, as compared to current imports).

Seed Services

A key aspect of seed production efforts is certification and quality control by the national seed services. While technicians and some infrastructures are in place, the national seed services need an initial capital investment combined with specialized training order to play their role effectively in the seed value chain. The project would rehabilitate/construct and equip seed laboratories in five key provinces so that the laboratories could provide services to farmers associations and private sector companies in their geographic area of coverage. Means of transport would be provided so that technicians can get out in the field to visit their clients.

In order to access regional markets for seed, standards need to be in line with SADC protocols and therefore the systems in Mozambique need to be harmonized with those standards. The project would support this process.

Input Voucher System

The input voucher system would provide immediate relief from high input prices to targeted farmers through a 50 percent subsidy at levels determined through assessments and analysis conducted by the MINAG. The subsidy will include access to the types of improved seeds being multiplied by the farmers associations but there will not be any direct linkages as this would have to be an artificial construction which would not survive beyond the project. Rather, private sector input delivery systems will be strengthened, and they may or may not source some of their seed from the farmers associations³. The increased production would contribute to the farmers' food security while at the same time making a modest contribution to local food supply. The inputs would be accompanied by an extension package designed to maximize the use of the inputs in a sustainable fashion. The use of the private sector to deliver the inputs would strengthen and develop supply chains in rural areas.

2.4 Past and Related Work

In April 2008, the Government of Mozambique established an Inter-ministerial Task Force, which developed a Soaring Food Price Action Plan composed of two main strategies: economic and agricultural growth measures; and social protection measures. The proposed programming is fully in line with the agricultural growth measures that the Government is putting in place.

FAO has a long-standing presence in Mozambique and currently runs an extensive country programme, which includes field projects and institutional support at various levels and in a multiplicity of sectors. FAO's Programme for Mozambique is a poverty reduction and food security-oriented package of integrated project activities. Rehabilitation of small-scale irrigation schemes and promotion of CA systems have been the main activities. Provision of agricultural

³ The farmers associations will sell to the private sector seed companies active in Mozambique. These companies will combine this seed with seed from other sources (for example, imports, other growers not covered by the project, etc.) and then sell it to individual farmers. There is no need to track the individual seed from the farmers' associations in this project through the entire seed value chain process to the end users as we are more interested in aggregate figures. i.e. domestic seed production increases, and farmer beneficiaries have greater access to improved seed varieties (hopefully through the increased domestic production, but also through imports if necessary).

inputs through various food security projects in central and southern Mozambique, including promotion of crop intensification and diversification, have been done through practical demonstrations using the FFS approach, at school gardens and community levels, in collaboration with MINAG. Support is also being given at small-holder level to promote the local production of food commodities such as cassava, including their processing, to counter soaring food prices.

3. PROJECT FRAMEWORK

3.1 Overall Objective

The overarching impact of the project as a whole is to enhance the food security and livelihood status of 30 000 farmers in rural poor agricultural communities to buffer the effects of soaring food and input prices.

Specific Objective 1: To increase local seed production by producer associations (out-grower schemes) through the private sector by the 2009/10 agricultural season in the provinces of Maputo, Gaza, Tete, Manica, Zambézia and Nampula.

Result 1: An estimated 1 210 tonnes of basic seed of various crops (maize, rice, wheat, soyabeans and sunflower) produced and then multiplied into an estimated 33 500 tonnes of certified seed of the same crops.

Activities:

- a) Pre-basic seed purchased from IIAM for multiplication.
- b) Letters of Agreement (LOAs) signed with regional research stations or selected experienced seed companies to multiply the pre-basic seed into 1 210 tonnes of basic seed.
- c) Through private seed companies working with farmer associations or directly with farmer associations (total of approximately 200 farmers associations), approximately 5 000 farmer producers supported for two years with fertilizer (100 kg of Urea and 100kg of NPK) and pesticides (4kg per farmer) to multiply the 1 210 tonnes of basic seed into approximately 33 500 tonnes of certified seeds.
- d) Provide agriculture tools to the farmers associations including jab planters, sprayers, and other small tools. Tools will be given to the associations as opposed to individuals as some of the tools can be shared (jab planters and sprayers for instance).
- e) Together with the MINAG provide training in basic agriculture practices to the farmers associations in the areas of (timing of planting, plant spacing, correct use of any new tools, correct fertilizer usage, correct pesticide usage, weeding, etc).
- f) Sign LOA with IIAM and National/ Provincial Departments of Seed Control for supervision and certification of seeds produced by the farmers' associations.

Result 2 – Establishment of small seed processing plant for farmers' associations in Tete province along the Manica-Tete corridor.

Activities:

- (a) Purchase of seed processing equipment and the establishment of a plant;
- (b) Selection of farmers associations to establish a management board and a registered farmers' association company;
- (c) In collaboration with the MINAG, ICRISAT and the provincial department of seed services, provide training to the farmers associations in the usage of the equipment and various aspects related to seed processing, including the business aspects of operating a small business.

Specific Objective 2: To strengthen national seed quality control at national and provincial levels through capacity building and provision of equipment:

Result 3: Five Seed Control Laboratories rehabilitated and equipped in Maputo, Gaza, Manica, Zambézia and Nampula provinces, their technicians trained on seed quality control at provincial level and the seed regulation and quality control policy measures supported in line with SADC standards. Specifically:

- National and provincial seed services strengthened through capacity building;
- Five Seed Testing Laboratories rehabilitated and equipped: one at Central level (Maputo); and four at regional levels (Manica, Zambézia, Nampula and Gaza);
- Capacity of the five seed testing laboratories increased to at least 2 000 seed lots and 12 000 samples for analysis per year; and
- Harmonized rules and regulations for importation, conservation and multiplication of seeds and germ-plasm, ensuring quality control applied in line with SADC standards.

Activities:

- a) Rehabilitation/construction of the central and four regional seed testing laboratories in Maputo, Gaza, Manica, Zambézia and Nampula;
- b) Provision of required equipment for seed quality control laboratories;
- c) Provision of means of transport (6 vehicles and 22 motor bikes) for mobility of technicians,
- d) Capacity building of technicians in seed quality control, through National Experts from IIAM, ICRISAT and FAO; and
- e) Promotion and dissemination of rules and regulations for seed quality control (importation, conservation and multiplication of seeds and germ-plasm) harmonized in line with SADC standards.

Specific Objective 3: To increase national agricultural production.

Result 4: An estimated 50 000 tonnes of food produced (comprising 20 000 tonnes of maize and 30 000 tonnes of rice) through the provision of input subsidies, and training in good agricultural practices.

Activities:

- a) Contracting of a service provider to discuss the finalization of the input voucher programme together with the MINAG and the donor.
- b) Preparation of a National Input Voucher Programme Teams composed of MINAG, FAO, and community/farmer association leaders to agree upon beneficiary identification;
- c) Meeting with input suppliers and other stakeholders to share information about the seed and fertilizer voucher requirements;
- d) Selection of agro-dealers to market inputs covering the districts selected in the Government Food Production Action Plan;
- e) Selection of 25 000 farmers with capacity to pay 50% of the voucher cost designed to purchase the crop package (Maize or paddy seed, including fertilizer);
- f) Organizing and conducting workshops for extension staff and input agro-dealers on Input Voucher Programme methodology and workshops on voucher methodology seed distribution and dissemination of information about distribution and storage of fertilizer in beneficiary provinces;
- g) Printing vouchers;
- h) Conducting voucher programme in selected provinces;

- i) Capacity building of public and private extension officers on packages outlining practices of agricultural technologies (such as post-harvest conservation (handling and storage), CA system, marketing and other aspects).
- j) Training for beneficiaries conducted by MINAG extension workers through the FFS approach.

3.2 Sustainability

There is high level Government commitment in supporting the Green Revolution through the Ministries of Agriculture, Planning and Development, Trade and Industry and Science and Technology. The private sector has been given a role to strongly complement Government efforts for collaborative success. Strengthening the seed value chain interventions through this project is just one part of an overall framework for action outlined in the Government's Food Production Action Plan of 2008–11. There is significant external donor support to the agriculture sector in Mozambique in addition to the Government's own resources and therefore, the issue is not so much whether future financial support exists but rather to ensure that the project is well coordinated with Ministry and other stakeholder activities and that the lessons learned are drawn for broader application in the sector.

Collaboration and capacity building of MINAG Research and Extension sectors (IIAM and the National Directorate of Agricultural Extension [DNEA] respectively) and of the farmers and other actors in the seed value chain will further contribute to sustainability of project activities. The use of permanent Government structures designed for practical agricultural production improvement, technical assistance, extension, training and communication at national and local levels, in collaboration with private entrepreneurs involved in the seed value chain with the active participation of beneficiary communities, will help ensure sustainability of the interventions. Government services already has budgets allocated for the running costs of the vehicles and infrastructures associated with this project, therefore contributing to the continued functioning of the structures following the project.

Maize and rice are the main staple cereal crops in Mozambique and communities already have a traditional culture in their production and processing. Seed degeneration has immensely reduced crop yields, coupled by a lack of improved varieties and agricultural inputs. The implementation of the project in collaboration with MINAG and the private sector will therefore support the up-scaling of the seed value chain. The sustainability of the seed value chain concept is supported by a number of key opportunities as stated in Section 2.3 above.

The seed industry in Mozambique is currently growing in response to high demand for inputs. Up to now, only 13.8 percent of the arable land in Mozambique is under cultivation, with 99 percent cultivated by small-holder farmers (TIA, 2007). Therefore, a large untapped potential exists in agricultural production, which may be put to use upon availability and accessibility of agricultural inputs. The private seed companies are already producing seeds under contract with local farmers, but still need to import the deficit of preferred varieties adapted to local conditions from South Africa, Malawi and Zambia.

Beneficiaries will cover 50 % of the cost of inputs and the project will pay the remaining 50% of the crop kit (seed plus fertilizer). Gradually the percentage paid by the farmer will be increased to the full price of inputs. A recent agreement has been signed between MINAG and Standard Bank of Mozambique to start a \$25 million loan programme for the agriculture sector. This programme will give farmers and retailers the opportunity to continue with the use of improved seeds and fertilizers at their own cost, following establishment and strengthening of the rural agricultural input market system begun by the project.

3.3 Risks and Assumptions

The Government of Mozambique, in coordination with various stakeholders at different levels (national, provincial, district, administrative post, locality and village), will be used as a proper channel to implement the project activities and create a sustainable basis for future support to the seed value chain of the selected crops.

The MINAG Department of Seed Control in coordination with various stakeholders at different levels (national, provincial, district, administrative post, locality and village), will lead the seed value chain development activities.

The project will take into consideration the following assumptions that may affect the running of the interventions and expected results:

1. Enabling national policies and institutional capacities for the project interventions;
2. National economic and political stability is maintained;
3. No unusual upsurge of natural disasters, such as drought, floods, outbreak of pests and diseases (crops and animals);
4. Key groups are identified and selected by training if implementation partners of MINAG, ensure LoAs;
5. Appropriate sequencing of activities target groups and partners over the 24-month period;
6. Continuing involvement of FAO emergency staff at country levels;
7. Ability of farmers associations to produce high quality certified seed;
8. Farmer willingness to pay a premium for certified seed in exchange for better results;
9. Availability of suitable farm input retailers;
10. No delays occur in clearing equipment on importation;
11. Effective partnerships with relevant providers of complementary services (e.g., private sector, credit, UN agencies, other projects) established;
12. National governments will integrate project activities into national plans;
13. Input voucher Programme is well-received by beneficiaries;
14. Selection of beneficiaries is transparent;
15. Input suppliers have enough agricultural inputs;
16. Training packages are user friendly;
17. Input prices do not continue to rise; and
18. Funding released on time for the 24-month period and as planned.

Risk	Impact	Probability	Measures to mitigate the risk or accept the risk
National economic and political instability	Slow down the project implementation and access to farmers	Low	With a general elections (Presidential, Parliamentary and Provincial Assemblies) we expect a peaceful democratic process, but a busy schedule for Government staff
Natural disasters, such as drought, floods, outbreak of pests and diseases (crops and animals);	Reduction in crop yields	Medium	Previous experience in disaster response enables fast and adaptive reaction.

Ability of farmers' associations to produce high quality certified seed	Lack of interest from private sector to purchase low quality seed	Medium	Work with the same associations over 2 years. Work with associations who are organized into blocks for farming. Work with associations who have existing experience with, or linkages to, the private sector.
Unavailability of sufficient number of suitable farm input retailers;	Delayed availability of inputs in the districts	Medium	Use of already trained retailers network and training of new ones
Delays occur in clearing equipment on importation;	Delay project implementation	Medium	Keep MINAG staff updated in importation process
Lack of ownership by the Private Sector	External Dependency on agricultural inputs	Medium	Participatory involvement of private sector
Inappropriate selection of competent and progressive farmer beneficiaries for the Input voucher Programme	Low production	Medium	Strict adherence to beneficiary selection criteria
Retailers/suppliers have enough agricultural inputs;	Low quality of crop production	Medium	Quality assurance of inputs through more than one superintendent laboratory.
Farmers are willing to pay a premium for certified seeds	Lack of demand for certified seeds	Low	Continue awareness raising efforts of the past few years on the benefits of certified seeds. Closely work with the private sector on all aspects of the project.
Increase in the agriculture input prices on the domestic and international markets	Less food produced	Medium	Reduce project beneficiaries
Delay in release of funds	Slow down on the implementation of project activities	Low	Adjust project work plan

4. IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

4.1 Institutional Framework and Coordination

At project inception, a steering committee will be established in consultation with the Government and the EC. The EC will be a member of the Steering Committee and will be fully involved in determining its function and membership.

The Government will nominate a senior agricultural officer to coordinate daily project activities on a full time basis (housed at the MINAG National Directorate of Agricultural Services [DNSA] offices). The officer will ensure the incorporation of the project initiatives in the provincial government work plan according to the National Food Production Action Plan of 2008–11 and that project activities are in line with the Government policies and strategies on food security, nutrition and income generation. The Provincial Seed Services, headed by the provincial agricultural director, will lead the provincial seed quality control activities using the existing provincial government structures under the supervision of the Department of Seed Control .

Provincial extension workers from the Government and other stakeholders will actively be involved in dissemination of seed value chain interventions, such as multiplication, production, processing and storage, including other best practices at local levels after training of trainers capacity building activities by technical assistance support.

The main guiding principle of the project is that of strategic partnership. The project will:

- work in close collaboration with Government ministries, UN agencies and civil society; and
- ensure an institutional framework strategy with activities that generate national ownership and enhance sustainability. Because the emergencies touch upon a range of agricultural and social themes, the project emphasizes the institution building process of the MINAG and farmer organizations.

The institutional framework will ensure an efficient structure for capacity building and technical assistance, including the monitoring of operations in anticipation of the institutionalization process and the up-scaling exercise. To this end, existing district-level coordination units will take care of decentralized tasks to monitor and evaluate day-to-day routine activities, training and support to the local-level extension workers and farmers.

4.2 Strategy/Methodology

Result 1 – Seed Multiplication

All project planning and implementation will be participatory, involving MINAG (DNSA and DNEA) and other line Ministries' officers, private sector seed producers, beneficiaries, key informants (elders and community leaders), NGOs, farmers' unions involved in seed value chain interventions and other stakeholders at national and local levels. Different Government sectoral departments will be involved in order to institutionalize project activities and create ownership by respective governance bodies.

Pre-basic Seed

The project will purchase existing pre-basic seed from the IIAM through its department of Seed Control.

Basic Seed

This pre-basic seed will then be multiplied on approximately 550ha to produce 1 210 of basic seed. There are nine seed producer companies in the country (SEMOC, MIA–Mocfer, PANNAR, APROSEL, HORTIMOC, Dengo Comercial, Lozane Farm, Semente Perfeita and Qualita) that will be invited through public tenders to multiply the pre-basic seed into basic seed.

Table 4: Basic Seed Multiplication

Crop	Expected tonnage produced	Yield (tonnes/ha)	Ha
Maize	500	2	250
Rice	600	3	200
Wheat	40	0.8	50
Soyabean	30	1	30
Sunflower	40	2	20
Total	1 210		550

Certified Seed:

In line with the Government's Food Production Action Plan of 2008-11, the project will multiply the 1 210 tonnes of basic into approximately 33 500 tonnes of certified seed of various crops (maize, rice, wheat, soybeans and sunflower) as outlined in Table 5 below.

The multiplication will be done through private sector companies working with farmers' associations or directly with farmers associations who are grouped into block fields. This will make factors like isolation and the provision of technical assistance easier to control. The farmers associations are already established in most cases and have some supportive assistance from the National Union of Farmers which helps such associations register officially. Approximately 30% of associations in the country have some past or existing linkages with seed production companies.

Approximately 200 farmers associations and 5 000 farmers are expected to participate in this component (based on an average field size per household of 1.4 ha⁴) over a period of two seasons. The farmers associations will be determined through a screening process with criteria to be finalized at project inception. FAO would provide the basic seed to be multiplied as well as 100 kg of Urea, 100kg of NPK, and 4kg of pesticides per each farmer to support the multiplication process. The input package is in line with Ministry of Agriculture recommendations.

A variety of tools would also be provided to the associations to facilitate the work of the multiplication process. These tools would be provided to the associations not to individuals as many of the tools can be shared between members of the association (like sprayers and jab planters).

Table 5. Quantities of certified seed to be produced

Crop	Expected tonnage produced	Yield (tonnes/ha)	Ha
Maize	7 000	2	3 500
Rice	21 000	3	7 000
Wheat	4 000	2	2 000
Soyabean	1 000	1	1 000
Sunflower	500	0.8	625
Total	33 500		14 125

FAO, the Department of Seed Control and the Ministry of Agriculture will organize training sessions at pre-planting and mid-season for public and private extension workers directly involved with the farmers' associations multiplying the seeds. The extension workers would then provide farmers with day-to-day technical assistance and back up. Extension messages will focus on basic agriculture practices (correct use of tools, correct timing of planting, plant spacing, correct use of fertilizer, correct use of pesticides, etc) as well as some of the skills necessary for the production of certified seeds (correct isolation distances, marketing, establishing links to private sector companies).

The seed produced will be kept by the farmers associations to be marketed to/through private seed companies. The farmers associations would be expected reinvest the proceeds of the sale of their crops into future production. They will be assisted and guided in this by the MINAG and by FAO. Where linkages with private sector companies are not yet established the MINAG and FAO will work to establish new linkages to facilitate the marketing of produced certified seed.

Result 2 - Seed Processing and Market Linkages

In order to strengthen the ability of farmers' associations to market the certified seed they produce, the project will support the installation of a seed processing plant (likely in Angonia district of Tete province on the Manica/Tete Corridor) equipped for cleaning, grading, calibration

⁴ Agricultural Intensification in Mozambique; Coughlin P.E., EconPolicy Research Group Ltd., August 2006

and drying of seeds produced by the farmers' associations and other farmers in the surrounding area. The only available seed processing plant in the central Mozambique belongs to a Government seed company SEMOC which largely prioritizes seed produced by its own outgrowers. The plant will be managed by a committee drawn from several farmers' associations and would be registered as a farmers' association company. The project would provide training on the administration and management of the seed plant using local service providers. MINAG and FAO would offer associated training on seed post-harvest handling and storage.

Farmers associations will be trained on basic administration and marketing principles. MINAG and FAO will support linkages to private sector seed companies for the marketing of the processed seeds.

Result 3 – Strengthening the Seed Quality Systems

The project will support the implementation of the national seed policy, strengthening its dissemination and ensuring harmonization in line with SADC seed quality control standards through the existing government structures (National Seed Department and Extension Services). There are technicians in place and in some provinces associated infrastructure, but support needs to be given to strengthen ongoing government efforts to improve coordination in this area.

In order to strengthen the Department of Seed Control support in the seed quality control and certification process, the project will rehabilitate/construct the central and four regional seed testing laboratories in Maputo, Gaza, Manica, Zambézia and Nampula respectively, including provision of required equipment for seed quality control. Training of Department of Seed Control technicians involved in seed quality control will be an intrinsic component of the capacity building exercise. These technicians will then be expected to provide training to stakeholders involved in seed multiplication, including the farmers' associations supported in the project.

In order to help ensure the mobility of the seed control technicians six vehicles and 22 motor bikes will be provided. There is existing provision in the MINAG budget for the running costs of these vehicles.

Result 4 – Input Support to 25 000 farmers

The Input Voucher Programme modality will be used for broader seed, fertilizer and tool distribution for farmers in line with the Government's Action Plan. These activities will be implemented by MINAG in collaboration with the International Fund for Agricultural Development (IFAD), which has essential complimentary activities involving the strengthening of the National Extension Programme through the MINAG DNEA with funds from the EC.

At project inception, a two-day participatory planning and launching workshop will be organized for the Provincial Directorate for Agriculture (DPA) staff to present the new Input Voucher Programme approach. The information will be disseminated to the beneficiary districts, with all stakeholders involved: DPA, District Administrators, District Services of Economic Activities and representatives from the Farmer Associations, NGO's, local traders and commercial seed companies.

The Input Voucher Programme will be organized by inviting a network of agro-dealers: (existing retail outlets in the different areas), as outlets for the supply of agricultural inputs. They will receive training based on the lessons learned from the previous USAID/IFDC Beira Corridor initiatives on input supply, developing seeds and fertilizers markets in the highly productive central region of the country. Subsidized agricultural inputs will be made available to farmers through the agro-dealer networks already trained in partnership with MINAG and other

stakeholders. The modality allows beneficiaries to select agricultural inputs that will contribute to the Government Food Production Action Plan.

In collaboration with all stakeholders, farmer groups and farmer beneficiaries will be selected in accordance with the selection criteria to be introduced with this project component for Input Vouchers. In order to promote ownership and create sustainability through a revolving fund, the beneficiary farmers will be requested to pay about 50 percent of the total value of the voucher booklet depending on the crop type. The revenue collected will be used to support the revolving fund linked to the Agricultural Development Fund to benefit other farmers. Gradually the Government contribution will be reduced to a minimum until the farmers pay the real cost of the inputs.

The value of the input package has been determined by the government to be approximately €230 for rice (the project would cover 50% or €115) and €116 for maize (the project would cover 50% or €58).

4.3 Government Inputs

The project will involve and utilize available Government staff at all levels to assist and implement the seed value chain project. The nominated senior Government officer, Provincial Seed Services, the chief of rural extension and agricultural services, the district director of economic services and extension officers will be in the forefront of project implementation at provincial and local levels.

Prior obligations and prerequisites

Meetings and workshops with Government staff and others associated with the project's planned activities will be organized to prepare detailed field plans, with the participatory involvement of the local beneficiary communities, for subsequent implementation at all levels.

- DPA will constitute a general coordination element within their provincial services and will lead the decision-making process on general aspects of the project.
- Seed value chain interventions, including the development of appropriate extension packages and practices, will be promoted through MINAG research and extension sectors (IIAM, Department of Seed Control and DNEA respectively).
- Extension packages for post-harvest storage and home/community based processing will be promoted in collaboration with MINAG research and extension sectors (IIAM, Department of Seed Control and DNEA respectively).

Financial and/or contributions in kind

The Government will contribute through the provision of staff time of senior officials, salaries of the extension workers and, in some cases, transportation of agricultural inputs. The Government will also ensure the running costs for the equipment and infrastructure provided by the project.

4.4 Donor Inputs

The donor will provide the financial resources as outlined in the attached budget and will serve as a member of the project steering committee.

4.5 Technical Support/Linkages

FAO's country office has existing staff which will provide the basis for technical support to the project. They will receive technical backstopping from the FAO regional office (RIACSO) in South Africa and, where necessary, from headquarters the Emergency Operations and

Rehabilitation Division (TCEO) and lead technical units, such as the Seed and Plant Genetic Resources Service (AGPS).

To support the organization and implementation of the project activities, LoAs will be signed between FAO and the responsible MINAG departments and/or implementing partners. There is significant in country capacity in the various technical areas of the project which can be mobilized to provide specialized trainings or advice.

4.6 Management and Operational Support Arrangements

The executing agency for this project is FAO and the principle implementing partner is MINAG. Additional partners will be co-opted as needed from the Government, NGOs, community-based organizations and the private sector.

FAO's Emergency and Rehabilitation Coordination Unit in Mozambique will be responsible for the day-to-day coordination of project activities, in collaboration with the Output Technical Focal Points in Government.

Given the complexity of the project and its status as part of the overall EC allocation to combat soaring food and input prices, additional operational support will be provided from FAO HQ in backstop the country team.

5. OVERSIGHT, MONITORING, MANAGEMENT INFORMATION AND REPORTING

5.1 Oversight and Reviews

Oversight and reviews of the project will be carried out at two levels. At country level, the Project Management Unit (PMU) will carry out implementation under the overall guidance of a National Steering Committee. At global level, the project will be supervised by the FAO Emergency Operations and Rehabilitation Division (TCE), building on its extensive experience in project implementation. Operations Officers will liaise with the local FAO Representative, the PMU and the National Steering Committee on a regular basis to ensure smooth and timely implementation of the project. The local FAO representative will be a member of the National Steering Committee.

A TCE/EC Food Facility Programme Implementation Unit (PIU), established at FAO Headquarters, will act as overall coordinator and facilitator of operations and liaise with FAO technical and administrative units to ensure provision of adequate and timely support to project operations. The PIU will also have special responsibility for ensuring regular monitoring of activities and reporting to the donor and will facilitate evaluation and audit of the programme. The PIU will be supported by a Support Group made up of representatives of all technical and administrative units involved in the project.

Evaluations will be organised according to the provisions of sections 1.2 – 1.4 of the EC-UN Financial and Administrative Framework Agreement (FAFA).

The project shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules and directives of FAO as indicated in the FAFA. The internal audit regime in FAO operates as an integral part of the Organization's system of internal controls, following best practices, and under policies established by senior management. The internal audit strategy of FAO is comprehensive, embodying financial, compliance, performance and value for

money features and provides assurance that operations in the field and at headquarters are managed in an economical, efficient and effective manner. External audit, under FAO's Financial Regulations, is carried out by an External Auditor appointed by the Council, in conformity with generally accepted common auditing standards. In addition, in conformity with the FAFA and related guidance on verifications, the EC may undertake, including on the spot, checks related to the operations financed by the European Community.

5.2 Monitoring and Knowledge Sharing

Monitoring of project progress will be carried out by FAO and will focus on upward accountability (i.e., towards the EC, government agencies, development partners and society at large) and downward accountability (i.e., towards project beneficiaries and primary stakeholders). Monitoring will be against indicators identified in the project logical framework. These indicators will be further developed in consultation with project stakeholders and approved by the National Steering Committee (composed of MINAG, EU Delegation, and FAO). The EC Delegation in the country will also ensure adequate monitoring on the basis of key indicators established in the Logical Framework, progress reports and participation in relevant meetings/committees.

Knowledge sharing is an important component of the EC Food Facility Programme in that lessons learned from each project will be shared not only at country level, but also at a higher level through exchange of lessons learned and experiences between projects in different countries.

5.3 Communication and Visibility

In accordance with the relevant provisions under the FAFA, visibility actions for this project will be developed following the Joint Visibility Guidelines for EC-UN Actions in the Field, issued in April 2008. Communication activities will focus on the outputs and impact of the project, targeting general and specific audiences in the country, as well as in the European Union (EU).

Communication actions will be aligned with FAO's corporate communication strategy and benefit from the existing expertise and facilities of the Organization's Communications Division (KCI). Actions will further be harmonized with related initiatives by other (UN) agencies involved in the implementation of the EC Food Facility

High-quality and cost-effective visibility actions will be ensured by a dedicated communications expert, financed on the basis of cost-sharing between the projects concerned, providing the following contributions: (i) advisory support relating to visibility work plans, budgets, reports and evaluations (ii) technical support for the implementation of agreed project-specific visibility actions, (iii) access to KCI's production facilities and (media) network and (iv) help-desk services to project managers, budget holders, etc. A comprehensive communication and visibility plan, based on the contributions indicated and taking account of the specificity of the individual projects, will provide the framework for communication and visibility actions in all the EC Food Facility projects implemented by FAO.

5.4 Reporting Schedule

Narrative reports will be prepared by the PMU every six months, reviewed by the National Steering Committee and the PIU at FAO Headquarters and submitted to the EC by the Director, TCE. A Project Terminal Report will be prepared by the Project Manager, reviewed by the National Steering Committee and the PIU at FAO Headquarters and submitted to the EC delegation by the Director, TCE.

Annual financial reports (in EUR) will be prepared by FAO Headquarters and submitted to the EC delegation, with a copy to the National Steering Committee. A final financial report will be issued by FAO Headquarters within six months of the end of the implementation period.

The PIU in FAO Headquarters will also be responsible for providing consolidated annual narrative and financial reports on the overall EC Food Facility Programme implemented by FAO to the EC Food Facility Task Force in Brussels.

Appendix 1: Budget

FAO Mozambique

Budget for the Action	All Years				Year 1			CODE		
	Expenses	Unit	# of units	Unit rate (in EUR)	Costs (in EUR)	Unit	# of units		Unit rate (in EUR)	Costs (in EUR)
1. Human Resources										
1.1 Salaries (gross amounts, local staff) ⁴										
1.1.1 Technical										
1.1.1.1 Project Coordinator	Per month	24	3.024	72.576	Per month	12	3.024	36.288	1,2	
1.1.1.2 Emergency & Rehab. Unit Coordinator	Per month	12	3.402	40.824	Per month	0	3.402	0	1,2	
1.1.1.3 Senior Tech. Advisor & CA Specialist	Per month	12	3.024	36.288	Per month	0	3.024	0	1,2	
1.1.1.4 Monitoring and Evaluation Officer	Per month	12	2.646	31.752	Per month	0	2.646	0	1,2	
1.1.1.5 Operations Officer	Per month	12	1.512	18.144	Per month	0	1.512	0	1,2	
1.1.1.6 National consultants x 2	Per month	48	1.701	81.648	Per month	24	1.701	40.824	1,2	
1.1.1.7 Administrative Assistant for Project Coordinator	Per month	24	1.058	25.392	Per month	12	1.058	12.696	1,2	
1.1.1.7 Driver	Per month	24	756	18.144	Per month	12	756	9.072	1,2	
1.1.1.8 Locally contracted Labour (assigned to the Action)	Per day	200	151	30.200	Per day	100	151	15.100	1,2	
1.2 Salaries (gross amounts, expat/int. staff)										
1.2.3 International Consultants (Seed/biology/chemistry) (Short term)	Per Month	9	12.000	108.000	Per Month	9	12.000	108.000	1,1	
1.3 Per diems for missions/travel ⁵										
1.3.1 Abroad (staff assigned to the Action)	Per diem	316	210	66.360	Per diem	180	210	37.800	1,1	
Subtotal Human Resources				529.328				259.780		

3.1.8 50% voucher subsidy for 10 000 rice farmers - seeds	voucher	10.000	39	390.000	voucher	7.500	39	292.500	2,1
3.19 50% subsidy for 15 000 maize farmers - fertilisers	voucher	15.000	38	570.000	voucher	10.000	38	350.000	2,2
3.1.9 50% subsidy for 15 000 maize farmers - seeds	voucher	15.000	20	300.000	voucher	10.000	20	200.000	2,1
Subtotal Equipment and supplies				4.711.161				3.695.281	
4. Local office									
4.1 Vehicle costs	Per month	24	1.065	25.560	Per month	12	1.065	12.780	3
4.2 Office rent	Per month	24	1.700	40.800	Per month	12	1.700	20.400	3
4.3 Consumables - office supplies	Per month	24	1.430	34.320	Per month	12	1.430	17.160	3
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month	24	700	16.800	Per month	12	700	8.400	3
Subtotal Local office				117.480				58.740	
5. Other costs, services^o									
5.4 Evaluation costs		0	70.138	0		0	0	0	4,1
5.7 Costs of conferences/seminars ^o	Seminars	6	6.300	37.800	Seminars	4	6.300	25.200	4,3
5.8 Visibility actions	Per action	0	35.000	0	Per action	0	35.000	0	6
5.9 Seed production Contracts with private seed companies or research institute for base seed of Maize, Rice, Wheat, Soyabeans and Legumes	Per contract	5	62.000	310.000	Per contract	3	62.000	186.000	5,3
5.9.1 Input Voucher Contracts with Service Providers and/or NG	Per contract	1	300.000	300.000	Per contract	1	300.000	300.000	5,3
5.9.2 Rehabilitation/Construction of seed laboratories	Per contract	5	90.720	453.600	Per contract	5	90.720	453.600	5,3
5.9.3 Contracts for training	Per Action	10	9.072	90.720	Per Action	6	9.072	54.432	5,3
Subtotal Other costs, services				1.192.120				1.019.232	
6. Other									
6.1 HQ Operational Support	lump sum	1	59.268	59.268	lump sum	1	29.634	29.634	1,1

	lump sum	0	30,000	0	lump sum	0	15,000	0	1,1
6.2 Policy Assistance									
Subtotal/Other				59,268				29,634	0
7. Total direct eligible costs of the Action (1-6)				6,697,377				5,106,667	
8. Provision for contingency reserve - 1.5% of subtotal of direct eligible costs of the Action				468,816				357,467	9
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)				99,806				75,866	8
11. Total eligible costs (9+10)				7,266,000				5,540,000	

Appendix 2: Logical Framework (Subject to revision during project life)

Logical Framework – FAO Mozambique - EC Food facility (24 months)	Indicators	Source of Verification	Assumptions
<p>Overall Objective Sustainably enhanced food security and livelihood status of 30 000 farmers (150 000 people) in rural poor agricultural communities to buffer the effects of soaring food prices in Mozambique.</p>	<p>By end of project:</p> <ul style="list-style-type: none"> • Country seed quality control fortified • Increase in basic and certified seed production of maize, rice, wheat, soybeans and sunflower • Food supply to 30 000 farmers increased by over 50 percent • Average income by source and by gender increased for target farmers 	<p>Project monitoring and impact surveys, National Vulnerability Assessment (NVAC), Living condition monitoring studies, FAO Food Insecurity and Vulnerability Information (FVIMS), FAO State of Agriculture and Food Security, UN MDG Monitoring reports, FAO-GIEWS website www.fao.org/giews, Food and nutrition surveillance reports.</p>	<ol style="list-style-type: none"> 1. Enabling national policies and institutional capacities for the project interventions 2. National economic and political stability is maintained 3. No unusual upsurge of natural disasters due to drought, floods, outbreak of pests and diseases (crops and animals)
<p>Specific Objectives:</p> <ol style="list-style-type: none"> 1. To increase local seed production by producer associations (out-grower schemes) through the private sector by the 2009/10 agricultural season in the provinces of Maputo, Gaza, Tete, Manica, Zambézia and Nampula. 	<ul style="list-style-type: none"> • Seed producer farmers linked to markets • Level of seed availability • Quantities of seed produced in Maputo, Gaza, Tete, Manica, Zambézia and Nampula 	<p>End of project reports, Project progress Reports, Project M&E reports, NVAC, Crop forecast and post harvest surveys Project Assessment and</p>	<ol style="list-style-type: none"> 4. Key groups are identified and targeted by training if implementation partners of MINAG, ensuring LoAs 5. Appropriate sequencing of

<p>2. To strengthen national seed quality control at national and provincial levels through capacity building and provision of equipment</p>	<ul style="list-style-type: none"> • At least five Seed Control Laboratories rehabilitated and equipped in Maputo, Gaza, Manica, Zambézia, and Nampula provinces; • Seed regulation and quality control policy measures supported in line with SADC standards; • Number of technicians trained on seed quality control at provincial level by gender; • Harmonized rules and regulations for importation, conservation and multiplication of seeds and germ-plasm ensuring quality control applied in line with SADC standards 	<p>Evaluation Reports</p> <p>Information from On Going projects, such as Up-scaling of CA system; Cassava Value chain interventions; Ongoing UN Joint programmes,</p>	<p>activities and/or target groups and/or partners over the 18 month period</p>
<p>3. To increase national agricultural production.</p>	<ul style="list-style-type: none"> • An estimated increase in total food production (20 000 tonnes of maize, 30 000 tonnes of rice produced) from seeds and tools distributed through the Input Voucher Program to 25 000 farmers; • Food production to the 25 000 farmers increased by 50 percent during 2009/10 agricultural season (September 2009 to March 2010) and the 2009/10 second season (April to August 2010); • Farmers expenditure on basic food commodities during the 2009/10 agricultural season (September 2009 to March 2010) and the 2009/10 second season (April to August 2010) will have been reduced by 50 percent; 		
<p>Results:</p>			
<p>1. An estimated 1 210 tonnes of basic seed of various crops (maize, rice, wheat, soyabeans and sunflower) produced and then multiplied into an estimated 33 500 tonnes of certified seed of the same</p>		<p>Project Country Monitoring Reports;</p> <p>National sector-reports</p>	<p>6 Continuing involvement of FAO emergency staff at country levels</p> <p>7 Availability of suitable farm input retailers</p>

<p>crops.</p> <p>2. Establishment of small seed processing plant for farmers' associations in Tete province along the Manica-Tete corridor</p> <p>3. Five Seed Control Laboratories rehabilitated and equipped in Maputo, Gaza, Manica, Zambézia and Nampula provinces, their technicians trained on seed quality control at provincial level and the seed regulation and quality control policy measures supported in line with SADC standards.</p> <p>4. An estimated 50 000 tonnes of food produced (comprising 20 000 tonnes of maize and 30 000 tonnes of rice) through the provision of input subsidies, and training in good agricultural practices.</p>			<p>8 No delays occur in clearing equipment on importation</p> <p>9 Effective partnerships with relevant providers of complementary services (e.g. private sector, credit, UN agencies, other projects) established</p> <p>10 National governments will integrate project activities into national plans</p> <p>11 Input Voucher Programme is well received by beneficiaries</p> <p>12 Selection of beneficiaries is transparent</p> <p>13 Input suppliers have enough agricultural inputs</p> <p>14 Training packages are user friendly</p> <p>15 Input prices do not continue to rise</p>
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16	Funding released on time for the 24 month period and as planned
<p>Activities:</p> <p>1.1 Pre-basic seed purchased from IIAM for multiplication</p> <p>1.2 Letters of Agreement (LOAs) signed with regional research stations or selected experienced seed companies to multiply the pre-basic seed into 1 210 tonnes of basic seed</p> <p>1.3 Through private seed companies working with farmer associations or directly with farmer associations (total of approximately 200 farmers associations), approximately 5 000 farmer producers supported with fertilizer (100 kg of Urea and 100kg of NPK) and pesticides (4kg per farmer) for two years to multiply the 1 210 tonnes of basic seed into approximately 33 500 tonnes of certified seeds;</p> <p>1.4 Provide agriculture tools to the farmers associations including job planters, sprayers, and other small tools. Tools will be given to the associations as opposed to individuals as some of the tools can be shared (job planters and sprayers for instance);</p> <p>1.5 Together with the MINAG provide training in basic agriculture practices to the farmers associations in the areas of (timing of planting, plant spacing, correct</p>	<p>677 MT pre-basic seed purchased</p> <p>Number of LoAs signed (at least 5 LoAs)</p> <p>Number of contracted Private seed companies;</p> <p>Number of producer farmers involved in seed production – 5 000 farmers;</p> <p>Total of 2000 MT of Urea and NPK procured for seed production;</p> <p>An estimated 1 210 tonnes of basic seed of various crops (maize, rice, wheat, soybeans and sunflower) produced in Maputo, Gaza, Tete, Manica, Zambezia and Nampula</p> <p>An estimated 33 500 tonnes of certified seed of various crops (maize, rice, wheat, soybeans, and sunflower) produced;</p> <p>Quantity of procured agricultural inputs (seeds, fertilisers, implements);</p> <p>Good agronomic practices trainings imparted to the farmers associations (including timing of planting, plant spacing, correct use of any new tools, correct fertilizer usage, correct pesticide usage, weeding);</p> <p>Number of LOAs with IIAM and National/ Provincial Departments of Seed Control for supervision and</p>
<p>Project reports; FAO country reports; national sector reports</p>	

<p>use of any new tools, correct fertilizer usage, correct pesticide usage, weeding, etc);</p> <p>1.6 Sign LOA with IIAM and National/ Provincial Departments of Seed Control for supervision and certification of seeds produced by the farmers' associations.</p>		<p>certification of seeds produced by the farmers' associations.</p>	
<p>2.1 Purchase of seed processing equipment and the establishment of a plant;</p>		<p>One seed processing plant installed in Tete province;</p>	
<p>2.2 Selection of farmers associations to establish a management board and a registered farmers' association company;</p>		<p>One management board established and establishment of a farmers' association company;</p>	
<p>2.3 In collaboration with the MINAG, ICRIASAT and the provincial department of seed services, provide training to the farmers associations in the usage of the equipment and various aspects related to seed processing, including the business aspects of operating a small business.</p>		<p>Trainings on use of equipment and aspects related to seed processing, including the business aspects;</p> <p>Trainings on business management;</p>	
<p>3.1 Rehabilitation/construction of the central and four regional seed testing laboratories in Maputo, Gaza, Manica, Zambézia and Nampula;</p>		<p>At least five Seed Control Laboratories rehabilitated and equipped in Maputo, Gaza, Manica, Zambézia, and Nampula provinces;</p>	<p>Project reports; National sector reports</p>
<p>3.2 Provision of required equipment for seed quality control laboratories;</p>		<p>Quantities of laboratory equipment provided;</p>	

<p>3.3 Provision of means of transport (6 vehicles and 22 motor bikes) for mobility of technicians;</p> <p>3.4 Capacity building of technicians in seed quality control, through National Experts from IIAM, ICRISAT and FAO;</p> <p>3.5 Promotion and dissemination of rules and regulations for seed quality control (importation, conservation and multiplication of seeds and germ-plasm) harmonized in line with SADC standards.</p>	<p>Six motor vehicles and 22 motorbikes supplied;</p> <p>100 of technicians trained on seed quality control at provincial level by gender;</p> <p>Improved professional resource basic on seed quality control;</p> <p>Training and extension packages and practices materials produced and distributed during project life;</p> <p>Number of seed lots inspected at least 2 000 per year;</p> <p>Number of seed samples analyzed at least 12 000 per year;</p> <p>Rules and regulations for seed quality control harmonized in line with SADC standards.</p>	
<p>4.1 Contracting of a service provider to discuss the finalization of the input voucher programme together with the MINAG and the donor;</p> <p>4.2 Preparation of a National Input Voucher Programme Teams composed of MINAG, FAO, and community/farmer association leaders to agree upon beneficiary identification;</p> <p>4.3 Meeting with input suppliers and other stakeholders to share information about the seed and</p>	<p>One service provider contracted</p> <p>A Steering Committee/ team established and functional and beneficiary selection criteria defined</p> <p>One of workshops held on Input Voucher Programme methodology and refresher workshops on voucher methodology in beneficiary provinces</p> <p>Number of agro-dealers identified</p> <p>Meeting with input suppliers in the intervention</p>	<p>Project reports</p> <p>Information from ongoing projects, such as Up-scaling of CA system; cassava value chain interventions; ongoing UN Joint programmes,</p>

<p>fertilizer voucher requirements;</p> <p>4.4 Selection of agro-dealers to market inputs covering the districts selected in the Government Food Production Action Plan;</p> <p>4.5 Selection of 25 000 farmers with capacity to pay 50% of the voucher cost designed to purchase the crop package (Maize or paddy seed, including fertilizer);</p> <p>4.6 Organizing and conducting workshops for extension staff and input agro-dealers on Input Voucher Programme methodology and workshops on voucher methodology seed distribution and dissemination of information about distribution and storage of fertilizer in beneficiary provinces;</p> <p>4.7 Printing vouchers;</p> <p>4.8 Conducting voucher programme in selected provinces;</p> <p>4.9 Capacity building of public and private extension officers on packages outlining practices of agricultural technologies (such as post-harvest conservation (handling and storage), CA system, marketing and other aspects);</p>	<p>areas</p> <p>Number of agro-dealers selected for provision of agricultural inputs to beneficiaries</p> <p>Number of input suppliers aware of Input Voucher Programme and trained</p> <p>25 000 beneficiaries selected at local levels</p> <p>Number of complementary agricultural activities needed identified</p> <p>Number of voucher program preparation groups formed</p> <p>25 000 voucher booklets printed</p> <p>Number of voucher programmes carried out</p> <p>Estimated 50 000 tonnes of food (comprising 20 000 tonnes of maize, 30 000 tonnes of rice) produced</p> <p>Over 100 extension officers trained</p> <p>Training and extension packages and practices materials produced and distributed during project life</p> <p>Training conducted considering gender aspects</p>	
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4.10 Training for beneficiaries conducted by MINAG extension workers through the FFS approach.	Number of farmers reached through the FFS approach.		
<ul style="list-style-type: none"> a. Conducting monitoring and evaluation of the performed activities b. Conduct impact assessment 	<ul style="list-style-type: none"> Number of missions carried out (FAO, MINAG, EC) An impact assessment carried out 	Monitoring and evaluation reports Impact assessment report	

Appendix 3: Work Plan (Subject to revision during project life)

	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
1. An estimated 1 210 tonnes of basic seed of various crops (maize, rice, wheat, soybeans and sunflower) produced and then multiplied into an estimated 33 500 tonnes of certified seed of the same crops.																									
1.1 Pre-basic seed purchased from IIAM for multiplication																									
1.2 Letters of Agreement (LOAs) signed with regional research stations or selected experienced seed companies to multiply the pre-basic seed into 1 210 tonnes of basic seed																									
1.3 Through private seed companies working with farmer associations or directly with farmer associations (total of approximately 200 farmers associations), approximately 5 000 farmer producers supported with fertilizer (100 kg of Urea and 100kg of NPK) and pesticides (4kg per farmer) over two years to multiply the 1 210 tonnes of basic seed into approximately 33 500 tonnes of certified seeds;																									
1.4 Provide agriculture tools to the farmers associations including job planters, sprayers, and other small tools. Tools will be given to the associations as opposed to individuals as some of the tools can be shared (job planters and sprayers for instance);																									
1.5 Together with the MINAG provide training in basic agriculture practices to the farmers associations in the areas of (timing of planting, plant spacing, correct use of any new tools, correct fertilizer usage, correct pesticide usage, weeding, etc)																									
2. Establishment of small seed processing plant for farmers associations in Tete province along the Manica-Tete corridor																									
2.1 Purchase of seed processing equipment and the establishment of a plant;																									
2.2 Selection of farmers associations to establish a management board and a registered farmers' association company;																									
2.3 In collaboration with the MINAG, ICRISAT and the provincial department of seed services, provide training to the farmers associations																									

	1	2	3	4	5	6	7	8	9	10	11	12
in the usage of the equipment and various aspects related to seed processing, including the business aspects of operating a small business.												
3. Five Seed Control Laboratories rehabilitated and equipped in Maputo, Gaza, Manica, Zambézia and Nampula provinces, their technicians trained on seed quality control at provincial level and the seed regulation and quality control policy measures supported in line with SADC standards.												
3.1 Rehabilitation/construction of the central and four regional seed testing laboratories in Maputo, Gaza, Manica, Zambézia and Nampula;												
3.2 Provision of required equipment for seed quality control laboratories												
3.3 Provision of means of transport (6 vehicles and 22 motor bikes) for mobility of technicians;												
3.4 Capacity building of technicians in seed quality control, through National Experts from IIAM, ICRISAT and FAO;												
3.5 Promotion and dissemination of rules and regulations for seed quality control (importation, conservation and multiplication of seeds and germ-plasm) harmonized in line with SADC standards.												
4. An estimated 50 000 tonnes of food produced (comprising 20 000 tonnes of maize and 30 000 tonnes of rice) through the provision of input subsidies, and training in good agricultural practices.												
4.1 Contracting of a service provider to discuss the finalization of the input voucher programme together with the MINAG and the donor												
4.2 Preparation of a National Input Voucher Programme Teams composed of MINAG, FAO, and community/farmer association leaders to agree upon beneficiary identification;												
4.3 Meeting with input suppliers and other stakeholders to share information about the seed and fertilizer voucher requirements;												
4.4 Selection of agro-dealers to market inputs covering the districts selected in the Government Food Production Action Plan;												
4.5 Selection of 25 000 farmers with capacity to pay 50% of the voucher cost designed to purchase the crop package (Maize or paddy seed,												

	1	2	3	4	5	6	7	8	9	10	11	12
including fertilizer);												
4.6 Organizing and conducting workshops for extension staff and input agro-dealers on Input Voucher Programme methodology and workshops on voucher methodology seed distribution and dissemination of information about distribution and storage of fertilizer in beneficiary provinces;												
4.7 Printing vouchers												
4.8 Conducting voucher programme in selected provinces												
4.9 Capacity building of public and private extension officers on packages outlining practices of agricultural technologies (such as post-harvest conservation (handling and storage), CA system, marketing and other aspects);												
4.10 Training for beneficiaries conducted by MINAG extension workers through the FFS approach.												
5 Monitoring and Evaluation and impact assessment systems established												