

2021 CAADP
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**Africa Agriculture
Transformation Scorecard:
Performance and Lessons**

Africa Agriculture Transformation Scorecard: Performance and Lessons

2021 CAADP Biennial Review Brief: Mozambique

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1. Introduction

Africa is significantly rural with large agricultural potential. However, 200 million people, or 28 percent of Africa's population, were estimated to be chronically hungry in the period from 1997 to 1999, compared to 173 million in the period between 1990 and 1992. In parallel, progressive growth in food imports was seen in Africa through the 1990s—Africa as a whole has been a net agricultural importing region since 1980. This scenario was also true for Mozambique with 29 percent of the population estimated to be undernourished in 2002/03 and more than 45 percent of young children estimated to be stunted in their growth.

To improve food security and nutrition and increase agricultural incomes across Africa, the Heads of State and Government of the African Union (AU) adopted the Maputo Declaration on Agriculture and Food Security in Africa at the 2nd Ordinary Session of the AU Assembly in July 2003 in Maputo, Mozambique. This Declaration officially launched the Comprehensive Africa Agriculture Development Programme (CAADP). The Maputo Declaration committed African Heads of State and Government to allocate at least 10 percent of their annual national budgets to agriculture and to achieve agricultural growth rates of a minimum of 6 percent per annum. The agreed areas of primary action under CAADP were: (i) extending the area under sustainable land management and reliable water control systems; (ii) improving rural infrastructure and trade-related capacities for market access; (iii) increasing food supply and reducing hunger; and (iv) promote agricultural research, technology dissemination, and adoption.

After ten years of CAADP implementation, concerns were being raised about the significant proportion of Africa's population still being economically marginalized with continuing high rates of hunger and malnutrition. Limited progress was also being realized in Africa's agro-industries and agribusiness development, which hampered value-addition and the competitiveness of African products in local, regional, and international trade. Slow growth in Africa's agriculture and food sector undermined efforts to transform the sector and generate significantly more jobs for African youth and women. To respond to these concerns, the AU Heads of State and Government adopted the Malabo Declaration in 2014, which legitimized and reconfirmed CAADP as the principal framework to foster agricultural investments and development in Africa. The Declaration outlines the vision of Africa's leaders for accelerating agricultural growth and transformation on the continent between 2015 and 2025 (AUC 2014). This transformation is to be achieved through the pursuit of seven broad commitments:

1. Upholding the principles and values of CAADP,
2. Enhancing investment finance in agriculture, particularly by targeting 10 percent of public expenditure to agriculture and ensuring the efficiency and effectiveness of its use,
3. Ending hunger in Africa by 2025,
4. Reducing poverty by half by 2025 through inclusive agricultural growth and transformation,
5. Boosting intra-African trade in agricultural commodities and services,
6. Enhancing resilience of livelihoods and production systems to climate variability and related risks, and
7. Ensuring mutual accountability for actions and results by conducting a Biennial Review (BR) continent-wide to monitor progress in achieving the seven Malabo Declaration commitments.

To meet the seventh commitment on mutual accountability, every two years African countries present to the African Union a report on their progress on agricultural transformation. In addition to gauging progress in the country toward achieving the seven Malabo Declaration



commitments by 2025, each report also assesses the country's capacity for evidence-based policy and program design and implementation, monitoring and evaluation, peer review, and mutual accountability. The BR reporting framework is organized by Malabo commitment with specific indicators and targets to be met over time.

To date, three BR reports have been submitted by each country and compiled into a continental report that is presented to the Heads of State and Government of the AU for their endorsement. The inaugural BR (AUC 2018) was compiled and presented in 2017, the second in 2019 (AUC 2020), and the third in 2021 (AUC 2021). Mozambique has participated in all three BRs, submitting a country report to the African Union in each BR cycle.

This brief draws on the third BR report to summarize the performance of Mozambique in pursuit of the seven Malabo Declaration commitments and assesses the challenges faced and the lessons learned by the country. The brief also reviews policy, programmatic, and investment changes in Mozambique induced by the three BR cycles. The final section highlights policy actions and programmatic measures Mozambique must take to meet the Malabo commitments by 2025.

2. Progress by Mozambique in Achieving the Malabo Commitments

As shown in the bottom row of Table 1, in the inaugural BR of 2017, Mozambique scored 4.13 for its overall performance, slightly exceeding the overall performance benchmark of 3.94, the minimum score for a country to be considered at the time to be on-track to achieve the Malabo Declaration commitments by 2025. However, in the second BR, the country registered a lower overall performance score of 4.01 against a benchmark of 6.66, so was rated not to be on-track. In the third BR of 2021, which is the focus of this brief, Mozambique attained an overall performance score of 4.14 against a benchmark of 7.28, so the country remained off-track with very little overall improvement between the second and third BR. Since the first BR of 2017, Mozambique has made little progress toward achieving the Malabo Declaration commitments by 2025.

Table 1. Mozambique—summary of Biennial Review scores by Malabo commitment

Malabo commitment	First BR (2017)			Second BR (2019)			Third BR (2021)			% change, 3 rd BR-2 nd BR
	Score	Bench- mark	Progress	Score	Bench- mark	Progress	Score	Bench- mark	Progress	
1. Recommitment to CAADP	5.59	3.33	On-track	9.13	10.00	Not on-track	9.25	10.00	Not on-track	1
2. Enhancing agriculture finance	2.70	6.67	Not on-track	2.34	10.00	Not on-track	1.96	7.50	Not on-track	-16
3. Ending hunger by 2025	2.65	3.71	Not on-track	2.54	5.04	Not on-track	1.92	6.32	Not on-track	-24
4. Halving poverty through agriculture	5.27	2.06	On-track	0.50	3.94	Not on-track	2.79	5.81	Not on-track	458
5. Intra-Africa trade in agriculture	3.84	1.00	On-track	4.30	3.00	Not on-track	2.14	5.00	Not on-track	-50
6. Enhancing resilience to climate change	3.36	6.00	Not on-track	3.33	7.00	Not on-track	5.42	8.00	Not on-track	63
7. Mutual accountability	5.49	4.78	On-track	6.22	7.67	Not on-track	5.52	8.33	Not on-track	-11
All commitments	4.13	3.94	On-track	4.01	6.66	Not on-track	4.14	7.28	Not on-track	33

Source: Authors' calculations based on Mozambique Biennial Review scores.

The almost stagnant performance of Mozambique on the Malabo Declaration commitments from 2017 to 2021 is reflected in the similarly stagnant contribution of the agricultural sector to the Mozambican economy over this period. Data from the Instituto Nacional de Estatística (INE), the national statistical agency, shows that the percentage share of the Mozambican economy from the agricultural sector remained at an estimated 25 percent throughout this period. Annual growth in agricultural GDP was also very small, averaging 0.8 percent per year from 2015 to 2020.

However, it should be noted that similar to Mozambique, none of the countries in the Southern Africa region—Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia, and Zimbabwe—were on-track in terms of their overall performance score in the second and third BRs. This raises concerns about the established targets for the BR rounds, which might have been overestimated given the socioeconomic challenges facing most African countries.

The third BR results show that Mozambique underperformed and was not on-track for all seven Malabo commitments (Table 1), as was the case at the time of the second BR. Both the second and third BRs represent a regression in performance for Mozambique, as the country was on-track on four commitments at the time of the first BR in 2017—those for recommitment to CAADP, halving poverty, intra-Africa trade in agriculture, and mutual accountability. However, little progress has been made since. Comparing performance in the third BR of 2021 to the second of 2019, Mozambique saw a notable improvement on two commitments—on halving poverty, in particular, but also on resilience to climate change. However, on neither commitment did Mozambique make enough progress between the second and third BR to be considered on-track by the time of the third BR. On four of the other five commitments, Mozambique's performance scores for the third BR were close to what they were for the second BR, so little improvement was registered. On the commitment on intra-Africa trade in agricultural commodities and services, Mozambique's score dropped significantly between the second and third BR rounds.

These poor trends reflect challenges faced by Mozambique over time toward achieving the seven Malabo Declaration commitments. It should also be noted that the lack of data on the different indicators across the commitments is evaluated as zero and not achieving the evaluated commitments. For instance, the third BR data submitted to African Union contains only limited data on post-harvest losses, intra-Africa trade in agriculture commodities and services, and resilience to climate change, which resulted in commitment scores evaluated as not being on-track. Therefore, improvement in data collection might improve Mozambique's performance toward achieving the Malabo Declaration commitments.

There were some improvements for Mozambique over the three rounds of the BR to note. For example, while little progress was made on the first commitment related to CAADP between the second and third BR, significant improvements were made between the first and second BR. This improvement reflects Mozambique's commitment to operationalizing in 2019 a platform for managing the CAADP processes—the agricultural sector coordination committee known as the Comité de Coordenação do Sector Agrário (CCSA). This committee was established at provincial and central levels and has been used to promote accountability, joint planning, and monitoring and evaluation in the agricultural sector. The CCSA has also led the development of agricultural sector policy documents, such as the Plano Estratégico de Desenvolvimento do Sector Agrário (Strategic Plan for the Development of the Agricultural Sector—PEDSA 2030) and its investment plan, in addition to convening other strategic meetings in the agricultural sector. The strong performance of CCSA is also revealed by the improvement of the score on mutual accountability (commitment 7) from the first to the second BR, although a decline was seen in the score for this commitment in the third BR.

On the sixth Malabo commitment to enhance resilience to climate change, improvements were seen in the third BR score. This improvement reflects the effort that Mozambique has been putting into improving the availability of agricultural data for better evaluating the performance of the sector.

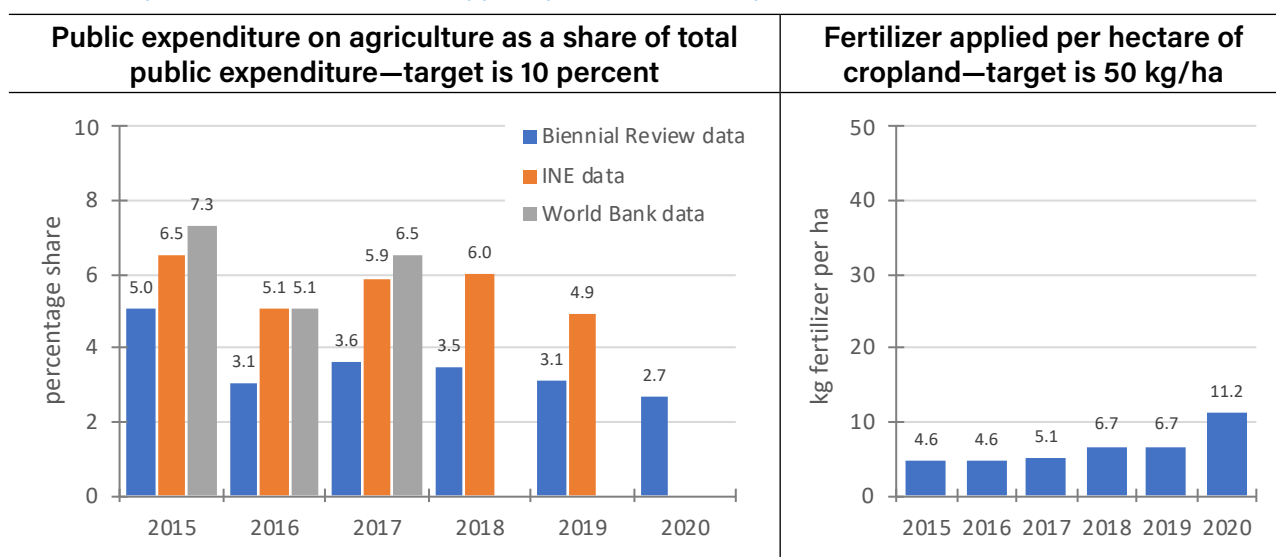


We can identify Malabo commitments on which Mozambique performed strongly and those which require attention. The country has consistently performed well on CAADP process completion (commitment 1), the quality of multi-sectoral and multi-stakeholder coordination (part of commitment 7), and, for the last two BRs, on food safety (part of commitment 3 on hunger).

However, Mozambique generally performed poorly on most indicators. Particularly troubling is the lack of progress seen on increasing the value of intra-Africa trade of agricultural commodities and services and on agriculture public expenditure as a share of total public expenditure (Figure 1, left). The third BR also highlights that fertilizer use is much lower than the recommended target of 50 kg of fertilizer applied per hectare (Figure 1, right).

Regarding intra-Africa trade, although not only for trade in agricultural commodities and services, INE data shows that the top ten trade partners of Mozambique for both exports and imports during 2019 and 2020 were European Union and Asian countries. The only African countries among the country's top ten trading partners are South Africa and Zimbabwe. These two African countries benefit from their geographical proximity to Mozambique. This limitation on trade with a greater number of African countries calls for more comprehensive implementation of the agreement establishing the African continental free trade area coupled with improvements in trade infrastructure, particularly roads.

Figure 1: Mozambique—trends on public expenditure on agriculture as a share of total public expenditure and on fertilizer applied per hectare of cropland



Source: Left: INE 2022; World Bank 2019. Right: World Bank 2022.

With regards to public expenditure on agriculture as a share of total public expenditure, the target of 10 percent has not been met in the years covered by the three BRs. However, note in Figure 1 (left) the difference in levels recorded between sources of data on this measure. Data reported for the three BRs is lower than both INE data and data estimated by the World Bank (2019). This inconsistency highlights the challenge of poor data quality for Mozambique. Overcoming it will require the establishment of a BR data platform for Mozambique with clear data protocols. All data collected for the platform would be subject to validation by national agricultural stakeholders and approval by the government.

Fertilizer use remains low in Mozambique (Figure 1, right). Although an upward trend is seen, the 50 kg/ha target for 2025 established by the Malabo Declaration will be practically challenging to achieve. This low use of fertilizer limits agricultural productivity and production contributing, for instance, to maize productivity, a staple food in Mozambique, remaining below 1.0 mt/ha since 2015, with an average of 0.63 mt/ha recorded for 2015 and 0.80 mt/ha in 2020. Moreover, fertilizer tends to be applied more to cash crops, including cotton, horticulture, and

sugar cane, than to food crops. This contributes to a persistent deficit in the availability in Mozambique of food commodities during the period 2015 to 2020—over this period, the total deficit for rice was estimated at 542,000 mt, while that for maize was estimated at 388,000 mt.

3. Challenges and Lessons Learned from the Third Biennial Review in Mozambique

The performance of Mozambique as measured in the three BRs clearly shows that the country faces significant hurdles to achieve all seven Malabo commitments by 2025. Particularly troubling is that no change is seen in Mozambique's overall performance across the three BRs.

Process challenges and lessons: The implementation of the three BR processes in the country did not face significant challenges as the BR team gained experience in collecting and reporting the data with each round. The use of the electronic BR platform (eBR) also brought improvements in the quality of the data used in the BR analysis as it caught any inconsistencies in the reported data. Nonetheless, there were some challenges in conducting the BR rounds in Mozambique.

- Each BR process in Mozambique starts when the AU calls for the country to be engaged in the process. This leaves the country BR team with limited time to engage all stakeholders for the BR process, especially around the tasks of collection and validation of the data.
- While Mozambique has established agricultural sector working groups with members from various agricultural sub-sectors, including fisheries, land and environment, trade, agriculture, and rural development, some of the data required for the BRs go beyond these focus areas to include data on youth and social protection, among other. The expansion of the agricultural sector working group to cover all BR commitments and indicators would facilitate the BR process in the country.
- Finally, the third BR was prepared during the period Mozambique was facing the COVID19 pandemic. This reduced stakeholder participation in BR meetings. This experience highlights the need for the establishment and operationalization of mechanisms for digital interaction among agricultural sector stakeholders.

Data challenges and lessons: Mozambique faces gaps or poor quality in the data on many BR indicators, including on post-harvest losses, food security and nutrition, resilience in agriculture, youth employment, and public-private partnerships in value chains. Efforts continue to be made to improve data availability and quality. Examples of such efforts include post-harvest studies conducted by FAO and the inclusion of post-harvest losses in the national agricultural survey.

Many of Mozambique's agricultural data quality issues stem from limited data protocols and standards to guide the BR data compilation process. Although an agriculture sector working group has been established, it does not engage in the collection and validation of BR data. Clear terms of reference for the working group to do so should be developed. Currently, the BR country team for Mozambique engages in data collection on its own, but has limited knowledge on how the data they collect was compiled and computed and whether the data are appropriate as indicators of progress towards the respective Malabo commitment indicators. Without the engagement of stakeholders in BR data collection, no critical thinking goes into the process of compiling data for the BR indicators. Additional training of BR country team members in BR data analysis and the production of the Malabo commitment scores would improve the quality of the BR country reports for Mozambique. Moreover, the addition of new indicators from one BR to the next requires further training of the BR country team on the type of data required for the new indicators and the likely sources of that data.



Given the centrality of food security to the CAADP agenda, one disturbing lesson that was learned during the third BR for Mozambique was that food security data are out of date for the country. Addressing this data gap requires the urgent attention of the government of Mozambique. Similar data gaps were identified for data on post-harvest losses and disaggregated public agricultural expenditures for crops, livestock, forestry, and fisheries.

4. Policy and Programmatic Changes in Mozambique following the First Three Biennial Reviews

The weak performance Mozambique shows in making progress toward achieving the Malabo Declaration commitments by 2025 has led to the government introducing different models and actions to accelerate progress. Most agricultural commodity value chains in Mozambique are not working in a sustainable or inclusive manner. To address this, the government is implementing SUSTENTA, the national smallholder development program, under which public-private partnerships are developed in agricultural value chains to more closely link small farmers to these value chains. Specifically within SUSTENTA, smallholder farmers are being integrated into value chains through the PACE (Pequeno Agricultor Comercial Emergente, or Small Emerging Commercial Farmer) scheme. PACE provides improved agricultural inputs and advisory services to smallholder farmers, while also strengthening their links to the market. In addition to SUSTENTA, similar programs being implemented include PRONAI (Programa Nacional Industrializar Moçambique, or National Program for Industrializing Mozambique) and PRODAPE (Projecto de Desenvolvimento de Aquacultura de Pequena Escala, or Small Scale Aquaculture Development Project), among others.

Additionally, most Mozambican smallholder farmers have limited information and few productive assets. This situation makes them more economically vulnerable to extreme weather events, including drought, cyclones, and floods. To mitigate the negative effects of such events, the government formulated an agricultural insurance policy. If sustainably implemented, such insurance will be crucial to increasing incentives for smallholder farmers to invest in improved inputs and productive assets.

On 9 August 2022, the government of Mozambique announced a set of actions for economic acceleration. These included decreasing the Value Added Tax (VAT) from 17 to 16 percent; providing a VAT exemption for imports of agricultural inputs; and decreasing the corporate income tax rate from 32 percent to 10 percent for corporations involved in the agricultural sector. These actions to put in place an enabling environment for agricultural investment in Mozambique, along with continuing efforts to increase the share of the annual government budget allocated to agriculture, if implemented effectively, should contribute to accelerated progress by Mozambique toward achieving the Malabo Declaration commitments by 2025—progress that will be seen in future BR country reports.

5. Mozambique—Priority Actions and Recommendations for Ensuring Achievement of Malabo Commitments by 2025

Several factors hamper Mozambique's performance toward achieving the seven Malabo Declaration commitments. However, all reflect the weak performance of agricultural commodity value chains in the country. Efforts should concentrate on increasing production through the development of high-productivity agricultural technologies and increased use of improved inputs. This will require schemes to better link smallholder farmers to input and output markets, such as the PACE scheme implemented under SUSTENTA.

Accelerated progress toward achieving the commitments in Mozambique also requires increasing the share of total public expenditure directed toward agriculture—the 10 percent CAADP target should consistently be met annually. This should be complemented by efficient use of any financial investments in Mozambique’s agricultural sector. Incentives for improving farmer access to agricultural credit should also be promoted—in 2020/21, only 0.6 percent of farmers had access to credit. This could be done by establishing financial guarantee funds that target smallholder farmers. The measures for economic acceleration announced in August 2022 should be put into law and effectively implemented to incentivize the private sector to invest in agriculture.

Mozambique’s agricultural sector is of particular risk to extreme weather events, which can wipe out anticipated harvests very quickly. These events are expected to become more common with continuing climate change. Therefore, in building the resilience of Mozambique’s farmers to these adverse effects of climate change, appropriate mechanisms, such as agricultural insurance, should be made available to them.

Finally, the BR rounds for Mozambique to date may be unduly pessimistic. Missing data on an indicator is registered in the BR performance score computation as zero, when in fact the performance of the country on the indicator may be much better than that and the country is making good progress toward achieving the particular Malabo Declaration commitment by 2025. The adhoc process of collecting BR data in Mozambique should be abandoned and an institutionalized data collection approach developed. This would be done annually and would include a validation step involving a wide set of agricultural stakeholders. This institutionalized BR data collection would be coupled with efforts to have terms of reference for agricultural sector working groups that cover all of the Malabo commitments. It is crucial to invest in formulating data protocols and standards as well as establishing a central database. These data elements will strengthen monitoring and evaluation activities within Mozambique’s agricultural sector, allowing the country to regularly and accurately assess its progress toward achieving the Malabo Declaration commitments. The engagement of research and academic institutions in these efforts is recommended to boost the quality of the data and subsequent analyses. These data efforts should be coordinated by CCSA as part of efforts to promote mutual accountability for what progress Mozambique makes toward achieving the Malabo commitments by 2025.

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ReSAKSS ESA

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