ISSD Vale do Zambeze Concept Note, November 2013.
Integrated Seed Sector Development (ISSD-DISS) in the Zambezi Valley

Introduction

The Agência de Desenvolvimento do Vale do Zambeze (ADVZ) has identified access to quality seed as a key constraint in the agricultural development of the Zambezi Valley. One of the major aims of the ADVZ’s plans is to stimulate small-scale enterprise and agribusiness, as well as among other issues address the seed access constraints. This resulted in the priority for local seed business development. In the recent past several attempts were made in the Valley to strengthen the seed sector which yielded only short-term results and had limited sustained impact. Investments by the public sector in the formal seed sector have not led to improved sustainable access to quality seed, while the private sector continues to reach only a small percentage of smallholders with certified seed. In the meantime farmers are faced with poor quality seed distributed by unscrupulous middlemen or poorly qualified district staff. The ADVZ has therefore called for seed sector development which has a longer term perspective and aims at an efficient, effective and sustainable, market driven seed sector, which addresses the demands of smallholders. A seed business concept based on entrepreneurship and seed value chain development and building on local initiatives. Based on the national seed entrepreneurship seminar on December 6, 2012, in Maputo, it is argued that an Integrated Seed Sector Development (ISSD) approach would be the way forward to address the formulated seed sector development challenges. The basis for this concept note is an earlier more general concept note elaborated by the Comité DISS, a Mozambican taskforce of public, private and civil society stakeholders.

This concept note explores a tentative six-year ISSD Central Mozambique Programme, in which ISSD partners focus on seed sector development in the agricultural growth corridor of the Zambezi Valley. This concept note also examines the feasibility of strengthening of collaboration between key actors in seed sector development in Mozambique e.g. in the Nacala Corridor and the Beira Corridor. At a later stage involvement with the National Dialogue Platform for the Mozambican Seed Sector (INOVAGRO/SDC, FAO, ISSD task force, GoM and Development Partners, Private Sector and Civil Society), could contribute to evidence-based national policy change. Experiences can also be shared with the ISSD Africa programme in several other SSA countries (http://www.wageningenur.nl/nl/show/Integrated-seed-sector-development-in-Africa.htm).

Further background information and documentation, such as the Briefing Notes on assessment of the Mozambican Seed Sector and of Seed Entrepreneurship in all seed systems, is available on the referred website as well as on the AgriHub Mozambique website.

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Integrated seed sector development in Mozambique

The National Seed Sector Assessment in 2012 provided insight into the main seed systems in Mozambique and their characteristics. Farmers use seed and other planting material, which largely originates from their own farms (70%), or is accessed through informal trading arrangements (20%). Only 10% of the seed is acquired through the formal system (public and private), out of which only a small part (2%) is actually bought without any form of subsidy. Nevertheless, the seed entrepreneurship assessment showed that in each of the seed systems, whether informal, in transition or formal, different forms of seed entrepreneurship exist. This provides the basis for enhancing the seed sector based on sound economic principles including the ISSD guiding principles.

Box 1. The guiding principles for any Integrated Seed sector Development programme are:

1. Recognise the relevance of the informal seed systems
2. Integrate informal and formal systems
3. Recognise complementary roles of private and public sector
4. Work according to the structure of the seed value chain
5. Promote entrepreneurship and market orientation
6. Promote seed sector innovation
7. Build programmes upon a variation of seed systems and foster pluralism
8. Enabling and evolving policies supporting a dynamic seed sector

The national seminar (Maputo on the 6th of December, 2012), brought together key stakeholders in the seed sector, analysed the two assessments and recommended the use of an integrated approach to seed sector development (based on ISSD guiding principles, Box 1) and discussed the potential/urgency of developing such a programme in Mozambique. The seminar recommended to follow a corridor approach for seed sector development in line with the Agricultural Strategic Plan (PEDSA), as well as to work through public-private partnerships, and involve educational and knowledge institutes, such as polytechnic institutes, and faculties of agriculture and business development.

More specifically, a programme for the Zambezi Valley would contribute to the development of sustainable seed sector, building on local initiatives and driven by demand, local markets and emerging produce value chains. This would mean starting with informal seed systems, strengthening these and building links with actors in the formal seed systems. This would be about strengthening entrepreneurial, market-oriented seed producing, groups and associations in the informal system. This would also involve the integrated development of the seed value chain for priority commodities in the Zambezi Valley. A general outline of such a programme has been presented in the following.
Vision and objectives of an ADVZ Integrated Seed Sector Development (ISSD) programme

The vision can be summarized as follows:
Through a vibrant, pluralistic and entrepreneurial local seed sector, quality seed of superior varieties is available and affordable for a larger number of farmers, thereby contributing to food security, private sector development and economic development in the Zambezi Valley in Mozambique.

The development objective:
To strengthen the development of a vibrant, pluralistic and entrepreneurial seed sector in the Zambezi Valley.

The ADVZ ISSD programme will focus on commodities that have a local demand, put emphasis on local seed business development (farmer groups and associations, etc.), pay attention to the involvement of local seed value chain actors (research, production, marketing) and the development of local Seed Business Development Services for quality assurance and strengthening seed entrepreneurship.

The proposed structure of the ADVZ ISSD programme is described in more detail below, and, where appropriate, some initial ideas concerning possible types of contributions are shared. The programme will be further elaborated during a scoping mission, planned for February 2014.

The programme is expected to operate along two complementary axes, each of which has three main components. This set-up is presented in Figure 1.

Figure 1. Tentative outline of the ADVZ ISSD programme

<table>
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<th>Axis I: Enhance the functioning of seed value chains</th>
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<td>A: Strengthening local seed businesses for priority value chains</td>
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<td>B: Enhance the performance of seed value chain services</td>
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<td>C: Facilitate an enabling environment integrated seed sector development</td>
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<th>Axis II: Promote professionalism in the seed sector</th>
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<td>D: Promote and facilitate pluralism at Vale do Zambeze corridor level</td>
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<td>E: Strengthen networks of seed value chain entrepreneurs</td>
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<td>F: Strengthen role seed sector knowledge and educational institutes</td>
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Vale de Zambeze ISSD Programme based on the following principles:
- a. Develop sustainable local seed sector;
- b. Complement existing initiatives;
- c. Build on informal seed systems;
- d. Relate seed to produce value chains in district clusters;
- e. Develop market and demand driven seed value chains; and,
- f. Use local evidence for
Blue Axis I. Enhance the functioning of seed value chains

Component A is targeting Local Seed Businesses (seed producing cooperatives and associations) strategically linked with other actors in the seed value chain. In particular, the links with foundation seed providers (research centres and private breeding programmes), as well as the seed market (agrodealers) and seed users (farmers), who are driving the seed value chain. The aim is to professionalize these Local Seed Businesses in their entrepreneurship, business and market orientation and their competences in quality seed production. The initial focus will be on the demand for seed and seed entrepreneurship initiatives for priority commodities in the informal system e.g. legumes (beans and groundnuts), Irish potatoes, rice, oil crops such as sesame etc. Development of the corresponding seed value chains would involve the Sussundenga Zonal Centre of the Agricultural Research Institute of Mozambique (IIAM), and Vale do Zambeze substations for other Zonal Research Centres (e.g. Ulongue and rice research centre near Quelimane, including MozSeeds) for breeder and foundation seed production. Local Seed Business development will be driven by seed demand, for which the market assessments and analysis form the basis.

Component B is targeting the enhancement of sustainable seed value chain service provision such as services for quality assurance of superior varieties; variety release services; seed certification; local seed quality inspection; seed business development services; capacity development services; and access to financial services.

Component C aims to contribute to a multi-stakeholder process towards joint action between the key seed sector stakeholders in the Vale do Zambeze, which aims at turning seed subsidies into incentive structures that are sustainable and that contribute to a vibrant and market-oriented seed sector in the Vale do Zambeze. The joint action required will emphasise scaling of small scale experiments/pilot activities, which include: release of varieties that respond to the local demand; mechanisms that support the conservation and use of quality seed of local varieties; develop ways to eliminate the distribution of poor quality or counterfeit seeds; contribute to innovation in the production and potential privatization of foundation seed production; and promote the decentralization and privatization (outsourcing and accreditation) of quality assurance and seed inspection services. The lessons learnt of local experiences can at a later stage provide input into the development of the national seed sector.

Green Axis II. Promote the professionalization and capacity of the seed sector

Component D will contribute to the establishment of Zambeze Valley corridor seed sector platform (or linked to provincial platforms). This component aims to build and strengthen (public-private-civil) partnerships e.g. in seed value chain development for priority commodities (based on PEDSA and Vale do Zambeze Operational Plan). In this component options for interaction with the Beira Agricultural Growth Corridor Secretariat will be further developed, while links with the National Seed Dialogue Platform (MOSTA) can be developed.

Component E will support in a later phase the establishment of organizations and networks of Local Seed Businesses and services within the Zambezi Valley and their linkages with the national level organizations. These will contribute to further professionalization of the sector by delivery of
professional services to their members such ensuring seed quality and the elimination of the distribution of counterfeit seeds.

**Component F** aims to strengthen the capacities of knowledge and educational institutes on seed issues. It is proposed to develop curricula to address technical, marketing, financial and business aspects of the seed sector with the polytechinc institutes and other educational centres, as well as for vocational training.

The proposed duration of the programme is 3 years (2014-2016) with a 3 year extension (2017-2019). This time frame should be seen in the context that seed chain development requires a number of seasons from breeder seed, through basic seed to marketable seed (certified, guaranteed seed, truthfully labelled seed or otherwise), while seed sector change requires a process that takes time from pilot to scale. The initial funding (to be identified) will define the coverage, such as the number of districts; commodities, and associations/enterprises; the variation in seed companies involved; the number of partners involved in the provision of services; the number and types of agricultural knowledge, education and training institutes engaged; the number and types of representative networks supported; and the number and types of policy issues addressed. It is expected that the programme will integrate different competitive grant mechanisms with contributions of 20-75% in co-funding from partners, depending on the modality of various programme components.

### Main results and activities

In the following table an overview of some preliminary activities has been presented for each of the formulated components.

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<th>Expected result for each component</th>
<th>Some possible activities</th>
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| **A. Number of local seed businesses operating in well-functioning priority seed value chains driven by the market and supported by effective breeding programmes** | • Analyse priority seed value chains from breeders seed to marketing and distribution;  
• Make inventory in a number of district clusters of the existing seed production initiatives in the informal systems;  
• Analyse the market for affordable quality seed of locally adapted varieties;  
• Focus on a number of district clusters with Business Development Centres (Barue, Angonia, Caia, Mocuba) with corresponding main commodities such as: beans and OPV maize; Irish potatoes; sesame; rice; and groundnuts;  
• Confirm these and other commodities based on seed value chain assessments;  
• Develop seed value chain capacity, by strengthening seed producer farmer groups in producing and marketing quality seed of locally adapted crops and varieties for local markets and becoming commercially sustainable;  
• Link with IIAM Zonal Research Centres and Sub-centres for the development of a seed value chain, which is based on the demand from farmers, which includes maintaining the seed quality in the chain. |
| **B. Services that support the whole seed value chain such as on seed quality, seed business** | • Contribute to the improvement of quality assurance mechanisms for different seed systems and notably for guaranteed (quality declared seeds);  
• Improve the access for seed producers to breeder and foundation seed of the requested varieties in the required quantity and quality; |
services, storage and communication and marketing strategies

- Increase the use of existing financing mechanisms as they exist in the Beira Agricultural Growth Corridor; and further develop financial and seed business development services.

C. Favourable enabling environment established

- Analyse what is needed to scale the initial pilots to more areas, more local seed businesses and more commodities;
- Specific actions on scaling quality inspection and certification, release of varieties and the organization of basic seed production;

D. Seed sector pluralism at corridor and national level strengthened

- Use real and virtual seed platforms in the Zambezi Valley for enhancing complementarity and synergy between informal and formal seed systems;
- At some stage relate to the National Seed Sector Dialogue Platform based on Vale do Zambeze evidence and for influencing national policies and strategic plans;

E. Network of seed entrepreneurs strengthened

- Contribute to the development of a strong seed producer and traders network in the corridor for lobbying and advocacy, by strengthening governance and becoming self-sustainable in financing its activities;
- Professionalizing the activities of seed business and traders associations in terms of training and expanding membership, especially in the field of hands-on, on-demand support to some of the smaller (potential) members;

F. Knowledge and educational institutes supporting seed value chains

- Contribute to strong interaction with training institutes in the region such as the "Instituto Superior Politécnico de Manica (ISPM), and UniZambeze de Ulongue and Mocuba for enhanced seed sector training;
- Engage local MSc and other students in action research on topics related to seed sector development.

The way forward

Based on a positive appraisal of this concept by the ADVZ and its partners a formulation mission will develop a programme, also based on more detailed orientation by provincial and other stakeholders in the central region of Mozambique. One important element is the definition of the potential implementing structure, as ADVZ is not an implementing agency. A short list will be prepared of organizations that could be invited for the implementation. Other issues relate to the role of Wageningen University and the Royal Tropical Institute (KIT), as Dutch knowledge institutes, notably in the inception and the implementation of the proposed programme. Options for funding need to be identified, based on an initial ADVZ interest and commitment.

The other main follow-up activities would be as follows:

- Multi-stakeholder workshop in the Zambezi Valley (e.g. Chimoio) (February 2014). This workshop would be expected to discuss and validate the different components of the programme as well as define main seed systems and challenges, commodities, modes of operations and possible partners for the Integrated Seed Sector Development Programme. This would be a solid basis and legitimacy for the formulation of a full project proposal. Formulation of a programme based on discussions with key resource persons in the four district clusters (Barue, Mocuba, Angonia a Caia) and at provincial, corridor level and national level (February 2014).
- Confirmation of partnerships, appraisal, funding options, approval of the project proposal and possible tender (or sole sourcing) process.

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The actual project would have different phases (for the different components) and will start in the inception phase with the identification of seed value chain entrepreneurs (individuals and associations/cooperatives) in the informal system, as well service providers that could support these initiatives. In this phases it will include a seed farmer group identification and needs assessment and will shape the capacity development (in the wider sense) programme for Local Seed Business development for key seed value chains.