Improving the market participation of smallholders and artisanal fishers

The evaluation (2008/9) found that the overriding strategic objective of IFAD-funded operations in Mozambique has been to improve the market participation of smallholders and artisanal fishers. The strategy has included support for raising productivity, quality and sustainability of primary production and fisheries, linking smallholder farmers and fishers to markets, and improving their share of end-prices and the value in the chain from production to the final market destination. Interventions have included promoting producer associations and improving access to markets (feeder roads) and financial services. The Fund’s strategy is fully in line both with the Government’s poverty reduction efforts and with its first Agricultural Sector Investment Programme.

IFAD-funded activities have combined policy/institutional support with field activities in selected provinces, thereby providing essential inputs for work on the country’s policy and institutional environment. For example, IFAD support led to the introduction of joint fishery resources management and the establishment of a three-mile zone for artisanal fisheries, and, with regard to agricultural marketing, to revision of the law on associations, thereby simplifying registration procedures, reducing the costs and time involved and significantly increasing the number of associations registered.

While IFAD’s projects and programmes have been of a thematic or sub-sector nature, field support has included a variety of elements deemed necessary for achieving their objectives. For example, support for market linkages and artisanal fisheries have included rural finance, and resulted in two important innovations: establishment of accumulating savings and credit associations and the hiring of outboard motors.

Given the collapse of the state/cooperative marketing system and the poor state of the country’s transport infrastructure, IFAD support in terms of building access roads, developing the capacity of small rural traders and organizing farmers into associations to improve both their bargaining power and the value of their produce through processing, is considered to have been most relevant. Poverty analyses confirm that households that produce for the market are generally better off than those producing for self-consumption. Factors that tend to have a positive effect on household income include diversification of crops and income sources; improved access to financial services and markets; and membership of joint marketing institutions.

Production support by IFAD led to the introduction of new crops and an expansion of the planting area – although, as so often happens in Mozambique, this has done little in terms of increasing yields of traditional crops per hectare. This may be attributed to the fact that, because private input/output markets function poorly in the remote areas where IFAD’s support is concentrated, farmers are hesitant to use the recommended levels of inputs. And while fishing households have been encouraged to catch species not under threat, given the limited controls on commercial fishing, it is difficult to manage the fishery resources that sustain artisanal fishers along the coast.

Progress with regard to access roads met with or surpassed design targets and made a significant contribution to improving access to markets and services. However, for a variety of reasons, the outcome and impact of other field support activities have not always met expectations. With regard to marketing associations, for instance, the difficulties encountered had to do with: (i) an unfavourable environment for promotion of rural associations/cooperatives; (ii) modest business skills of service providers; (iii) no vertical integration to ensure support from unions to associations; (iv) the absence of a public support policy; and (v) limited functional literacy. Nevertheless, good results have been achieved in developing marketing groups and associations and in boosting the quantity and prices of marketed production.
Project/programme design frequently underestimated the time and resources needed to develop viable, sustainable marketing associations of poor, often illiterate, farmers. Furthermore, given the ambitious quantitative design targets set for the various projects/programmes, in some cases such assistance could be provided only towards the end of the interventions, which left insufficient time for ensuring the associations’ sustainability.

While more recent interventions have included adult literacy programmes, most associations still have a relatively weak financial and human resource capacity. It is rare to find associations with adequate storage capacity, good post-harvest management and processing activities, and the capacity to prepare business plans without external assistance. While capacity development support is required for longer periods of time, it is still very difficult to attract qualified service providers to work with the associations in remote hardship areas.

Weak human capacity is not the only impediment to establishing viable agroprocessing operations in poor remote areas. The Agricultural Markets Support Programme (PAMA) reported (in 2007) that “opportunities for small-scale processing are limited within the focal areas … constraints include the low availability of raw materials capable of sustaining year-round operations as well as problems of establishing a viable commercial supply line of equipment and spares (due to limited demand).”

Within artisanal fisheries, IFAD has piloted improved techniques for the smoking and salting of fish, which resulted in better prices and market access.

A key element in the sustainability and exit strategy of PAMA was to establish second-tier organizations, such as unions of marketing/producer associations, the intention being that the unions would assist in developing the capacity of their member associations once project support had come to an end. However, the capacity of such unions remains weak and major additional assistance will be required if the unions are to play their intended role in an effective manner.

Another leg in IFAD’s strategy has been to provide support for the development of private rural traders to increase competition for household produce, improve access to inputs and equipment, and avoid local monopoly situations. An early attempt failed, mainly because of the poor performance of the public service provider contracted. However, later attempts with better-performing public/non-public service providers produced positive results.

IFAD should maintain its strategic goal of improving the market participation of smallholders and artisanal fishers and private and civil society organization should be contracted to implement project/programme components. Within marketing and financial services (by their very nature, private-sector activities), private and civil society organizations are often better placed to deliver the required services than government organizations.

Local artisanal fishers gather in Quelelele to haul in improved beach seines, promoted by the Nampula Artisanal Fisheries Project, as an alternative to the environmentally harmful use of mosquito nets. IFAD photo by Robert Maass