

IN BRIEF...

Malonda – The Private Sector Support related to Agriculture in Niassa

Sida's overall goal is to improve the quality of life of poor people. To reduce and defeat poverty is regarded as both an end in itself and as a means of creating a more secure and peaceful world for individuals and the global community as a whole.

Reduction of rural poverty

In Mozambique the majority of the poor live in rural areas. The rural poor are substantially poorer than the urban poor. Improving the living conditions in rural areas is a priority for Sida in Mozambique. In the short term, efforts are concentrating on improving agriculture and trade based on agriculture. In the longer term Sida supports the development of agroindustry and processing based on both specialisation and diversification.

This private sector support programme is called Malonda. (Malonda means "business" in a Niassa language.) It has completed its pilot phase and has entered a pre-investment phase. The present phase has been agreed to for 2003–2005 (SEK25m per year). Malonda is involved primarily in agriculture and agriculture-related business in the province of Niassa. Further support through the public agricultural SWAP (Sector Wide Approach), <Proagri>, has also been agreed to.

Several activities were started within Malonda during its pilot phase: microfinancing, agricultural out-growers' scheme, a business centre

and the establishment of an ombudsman for the private sector, support to a tourism association, contractual joint ventures with traders, etc. Several hypotheses have been studied or tested. Some of these have been abandoned for the moment while others have been adopted. It has been generally confirmed, however, that private sector development in Niassa to a great extent depends on agriculture and agriculture-related activities.

Despite the drought in southern Africa, the northern province of Niassa enjoyed a good harvest this year and traders linked to Malonda have been able to buy almost all the surplus maize from more than 6'000 family farmers. Some of the maize has been stored, but most of it has been exported to Malawi, Zimbabwe and Zambia.

Malonda's goal is to reduce poverty in Niassa. Its existence is primarily motivated by the absence of institutional strengths in Niassa. For this reason, the strengthening of private sector institutions is one of its principal tools in achieving its goal. The extremely weak private sector in Niassa can be seen as both a bottle-

neck and an opportunity. The programme might take a long time to achieve its goal, but at the same time its potential impact will be tangibly visible.

As can be seen in <PARPA>, the Government of Mozambique is fully aware of the importance of the private sector for the development of the country and alleviation of poverty. Through the channels of Malonda and Proagri, Sweden now has an excellent opportunity to participate in the ongoing policy discussion amongst Government of Mozambique and the stakeholders.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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