

Establishing Private Sector Capacity for Seed Inspection in Mozambique

Developing market systems not only involves improving the transactions and relationships between private sector actors, but also requires changing the rules to create a sound enabling environment. When the enabling environment aligns with the incentives for the private sector to invest in upgrading to meet the standards needed to meet market demand, a stronger and deeper market system emerges.

The case study on *Establishing Private Sector Capacity for Seed Inspection in Mozambique* reviews the work of InovAgro between 2015 and 2021 to work with the National Seed Department (SD) of the Ministry of Agriculture, the government regulator, to improve delivery of seed certification services. InovAgro's support included working with the SD to improve the regulatory framework for the certification of seed, and to pilot the training to demonstrate the value proposition for the private sector to invest in (i.e. pay for) training their staff to be able to inspect their own fields as part of the certification process and build a market for the training. It examines the issues around the current level of sustainability and the implications for the future.

The challenge

As demand for locally produced certified seed has expanded, the capacity of the SD to certify the seed has not kept up because of budgetary constraints – they did not have enough staff to carry out all the field inspections necessary for certifications. The challenge was how to create a legal framework for the private companies to inspect their own seed, under the supervision of the SD, to ease the capacity bottleneck at the SD.

The process

The process was not a quick one and required patience, persistence, and time by InovAgro to facilitate the creation of a system owned by the government and the Mozambican seed companies to ensure its sustainability. After having identified the constraint, InovAgro held consultations with seed companies and the SD in early 2015 leading to an agreement to examine the option of establishing a private sector seed inspection (PSSI) framework.

InovAgro facilitated visits by the NSA and representatives of the seed companies to Zambia and Kenya to examine the different models of PSSI that were in place. Following the visits, InovAgro facilitated a workshop with the SD and the seed companies to agree the model that Mozambique wanted to pursue. Once there was agreement on the model, InovAgro supported the SD to draft the legal instrument required to complement the existing Seed Regulation for licensing of private inspectors and seed laboratories. This legal instrument was finally published in September 2017, after more than a year in the approval process.

With the instrument in place, InovAgro facilitated the first PSSI training in July 2018 for ten seed inspector candidates, of whom 6 were accredited from four companies. The SD led the organization of the second training scheduled for March 2020. This was postponed due to COVID 19 restrictions, and finally implemented in August 2021.

InovAgro facilitated the organization of the second workshop and supported the Association for the Promotion of the Seed Sector (APROSE) to organize the event. Participating seed companies were required to pay USD 500 for each prospective inspector to participate in the training. InovAgro paid part of the costs for the conference and field training costs while the USAID funded regional SeedTrade Project paid for the travel and subsistence costs for SD staff to deliver the training. InovAgro also crowded-in other organizations interested in the success of the PSSI, including the FAO and the Zambezia Development Agency to cost-share the participation of the smaller SME seed companies. The bigger companies each paid around 70% of the total cost of participation for their technicians. Other development agencies brought

in four lecturers from agricultural colleges to learn about PSSI and possibly develop curriculum to introduce into agriculture college training.

The results and sustainability

Following the two trainings, six seed companies now employ ten SD accredited PSSI. Seven other individuals have been accredited as well, three being staff from FAO and four from agricultural colleges and universities. The two companies with PSSI accredited from the first training in 2018 stated that the investment has contributed substantially to improving their seed productivity and quality, and that their reputations in the market are improving. This is attracting the interest of additional seed companies to get their own accredited staff.

In terms of sustainability, the seed companies are paying USD 500 for the training and for the license after accreditation (\$50). This confirms that there is demand and a perceived value proposition. That participation fees should be able to pay for the travel and subsistence costs of the SD trainers. However, the sustainable structure for driving the training in the future has not been finalized. The money paid by seed companies has gone to the National Treasury and does not come back to cover the costs of the SD to deliver the training. Other options exist and need to be tested, such as institutionalizing the training within APROSE or finding a private service provider to drive it. Donors supporting the development of the PSSI system should experiment with options to privatize the training process, providing some continued support to defray some of the expenses until the viable business model is finalized.