



Mozambique: Examples from an Inclusive Business Approach combining Baobab fruit commercialisation, life skills and nature conservation

Contribution to the GIZ Gender Competition 2021/2022

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Jointly with a local foundation, a women association and a social enterprise the project currently reaches around 1.800 women baobab collectors. The approach improves income generation and therefore the power of women to decide for themselves. It generates role models and provides room for perception changes in remote rural communities.

1. Promoting gender equality - Objectives and results achieved

The Context

Workforce participation in Mozambique is high, among women and men equally. However, women hold mostly vulnerable jobs. Eighty per cent of the working women in Mozambique earn their livelihood in the agricultural sector, mainly due to the lack of other alternatives of employment. Especially in rural and semi-urban areas they take care of the *Machamba*, the small gardens/fields next to their houses. Here they grow vegetables, sometimes raise chicken and in the hinterland also cultivate grains. While women in the northern Manica province mainly produce food for their own family, the husband may try to commercialise some of the products directly from the farmgate or traveling to the market in the next little town. Education level in remote villages is generally low, especially among women who often have less than four years of school education and therefore barely speak or write the country's official language Portuguese. Since 2017 the bilateral ProEcon Project "Improving the framework conditions in the private and financial sector" aims to improve economic inclusion of smallholders and Micro, Small and Medium sized Enterprises by integrating them into supply chains of bigger enterprises. ProEcon applies a tailor-made Inclusive Business Approach with a special focus on women. This ranges from outgrowing chicken in semi-urban areas to baobab fruit collection and pre-processing in remote rural areas. The Global Project "Green Innovation Centres in the Agriculture and Food Sector" in Mozambique (GIAE) took on the approach in 2018. It aims to increase income and resilience for smallholder farmers as well as competitiveness of Micro, Small and Medium sized Enterprises as well as job opportunities. GIAE puts emphasis on promoting women along the selected value chains of pigeon pea and baobab.

The Baobab Tree

Baobab is a tree found in dry rural areas of various African countries. It grows up to 30 meters and can in rare cases reach 2.000 years of age. Its fruits are extremely high in nutrients and Vitamin C, making it one of Africa's "superfruits". The fruit has a hard shell which protects the dry pulp and seeds that are embedded in the pulp. In processing, the powder is extracted and filtered. The seeds are used for oil extraction. On the international market, baobab is in demand by European and North American health-conscious consumers, mostly in processed products such as fruit chew bars, detox mixes and energy drinks. In Mozambique Baobab grows wild in the northern forests of Manica province, an area where 85% of the rural population live below the national nominal poverty line and malnutrition is above 50% (FAO 2016).

The baobab fruits, called *Malambe*, are collected by women and preferably fed to children, elderly citizens and as traditional medicine for its anti-inflammatory and analgesic effects. Collection time is from May to July, which for many collectors is a time when they go hungry and are desperate to receive additional funds to make ends meet. In their hurry to make an income, collectors in the past often accepted the offer of the first passing informal trader with prices as low as 1.7 Euro cent per kg of fruit.

The Social Enterprise

Eco-MICAIA Lda, a social enterprise based in Chimoio / Manica Province saw the giant trees as an opportunity to promote business and development and registered in year 2013 the company Baobab Products Mozambique (BPM). Considering the company's interest to expand its supply chain, BPM and the ProEcon project joined hands in 2017 and signed an integrated Development Partnership (iDPP) on a cost sharing basis with the objective of integrating 150 women collectors into BPM's supply chain, making it a win-win: the women gained new skills in harvesting and pre-processing as well as a secure market with better prices of around 10 Eurocents per kg, while BPM, e.g. through the establishment of collection points, increased supply and quality of baobab, making the company more competitive in the international market. BPM also engages in securing new markets including South Africa and developing new baobab products to assure growth.

Change at the level of the target group (women)

Today, up to 1.800 women sell their baobab fruits to the various collection points. Each season, they spend around 11 working days for collection, gaining an income of around 90 Euros each. During Focus Group Discussions they stated that they use the money to invest in goats and bicycles or buy additional food for themselves and their children. Although many of them have – by traditional habits – to share their income with their husbands, it enables the women to care for themselves and to gain a bit more independence - an opportunity that was not there before, since most of the women depend on subsistence farming.

Each participating village has its “*Malambe Club*”, run by local women for the local women. The *Malambe Clubs* are organised since 2019/2020 as an association which is prepared to hold a 20 per cent share in the BPM company. The members of the association therefore have a say on the priorities and development of the company, negotiate their prices and support the collection process. They negotiate with local leaders and defend themselves against attempts of officials to benefit from the social business. In some villages, they run local pre-processing centres, which provide additional work and income to local women. Hereby improving their importance for the community and providing a safe space to meet and network between women.

The story of the two presidents of the association indicates opportunities for further development: both women head a household without husbands, which is quite unusual in this region. Often, women who are not married are considered outsiders or even as a danger to the other families, as other men may provide them with resources from the family in exchange for “sexual favours”. Widows traditionally become members of the household of the closest male relative of the deceased husband. It is also he who inherits all possessions. However, the two presidents negotiated their independence and provide successfully for themselves.

Cacilda, the president of the Malambe Association, is supported by her mother, who sometimes takes care of the children. She defends the association against attempts of authorities to benefit from the women’s business, negotiates prices with BPM and advises the company on new sourcing villages in the area. She advocates for the working conditions of BPM’s agents who accompany the collection process in the villages, supports logistics and is responsible for the final payment.

The vice president Maria built a tiny stone house, bought goats and sometimes employs a man to help her with her work. She also learnt to ride a motorbike, allowing her to extend her movement radius, as in her region the next small town is at least a 90-minute drive away. Both are accepted in their villages: they function as a kind of nexus between the business and the local women, defend their interests and are involved in income generation, for which they gained respect. They both became role models: other women see that one does not have to be married to survive, to make a living and to be accepted by her social environment.



The *Malambe clubs* with support of Micaia Foundation also provide life skills and literacy training for these women and their husbands, especially in off-season. That includes capacity development on agricultural techniques as for example on how to prepare or clean fields without the typical slash and burn method. The approach also fosters exchange between women and men, and it strengthens the networking among women. During the Covid-19 pandemic, relationships lost proximity even in remote rural communities. The work – now again – in the pre-processing centres is an opportunity to gather, exchange and to be active jointly as a women's group.

2. Gender as a quality feature of our work – Acknowledgement by clients, partners and commissioning parties

From Saving Groups to inclusive business

Given the strong social impact of the business model of BPM, the economic viability, the potential for empowerment of women and for behavioural changes observed during the first year of the partnership, GIAE signed an integrated development partnership contract (iDPP) with BPM to organise the women collectors in an association, to develop new markets and products and to establish a pre-processing supply system on community level.

This upscaling approach successfully increased the number of integrated baobab collectors from 150 to 1.800 women.

Already the predecessor projects of GIZ Mozambique worked with women in semi-urban and rural areas, especially on financial literacy training of saving groups and strengthening the access to formal financial services. Less than 20 % of women in rural areas have access to financial services. The two approaches complement each other, assuring women empowerment through access to finance and to supply chains/markets.



Cacilda is a widow. Traditionally, she and her three boys would have become part of the family of her husband's brother - likely by integrating her as an additional spouse. However, involving the local traditional leader "régulo", she negotiated to keep living on her own with her children. Her position in the association and her work for the community makes her respected in the village. "I enjoy living on my own," Cacilda says. That means, she can take more decisions for herself. Her mother, also member in the local Malambe club, helps her caring for her children. In the last association's general assembly, which Cacilda organised with the other board members, over 45 people from several villages attended and exchanged their baobab fruit collecting, processing and sales experiences.

BPM is one of 20 private companies with which GIZ has established Inclusive Business Models via iDPPs since 2017, mobilizing more than two Million EURO from the private partners who have a long-term interest in integrating smallholders to stabilize the supply chain, thus increasing business. Impact assessments of the iDPPs show that in almost all cases the private company can improve its competitiveness and smallholders increase their incomes. The strong private sector engagement for an inclusive economic development as well as the sustainability of the approach convinced the EU delegation in Maputo to upscale the Inclusive Business Model Approach. Since April 2019, GIZ implements the approach in two additional Provinces through a co-financing by the EU Programme PROMOVE Agribiz.

Mitigation of the impact of the SARS-Cov-19 pandemic

At the beginning of the Covid-19 pandemic, BPM was affected by decreasing sales, as clients from Europe and the US cancelled their orders. For the upcoming harvest, they didn't have enough capital available to buy the production. To ensure the income of the involved women collectors, GIZ supported the Micaia foundation to install a resilience fund. It was used pay the baobab collectors. By the end of the year, BPM was able to sell all baobab products to the reopening overseas markets and through increasing its customer base from 17 to 20. The resilience fund was refilled and will serve as a fund to mitigate future external shocks.

The positive impact of the partnership is expressed by Orlanda, one of the 140 seasonal women employees at the pre-processing sites of BPM where the baobab powder gets checked for its quality and refined with newly purchased machines.

"Micaia Foundation has changed our lives", says Orlanda. Depending on opportunities, she or her husband work in jobs and they decide together for what their money is spent. For four months each year, Orlanda earns a salary through her work at the pre-processing site in Guru.

Private Sector and active communities

The Micaia Foundation is also active in other fields. **It complements the profitable business of BPM by contributing to social development at community level.** With this shareholding approach, communities are involved as active partners. Micaia Foundation provides the opportunity for life skills training, which allow space for women and men to reflect on gender relations in the villages, to improve their diets and their agricultural capacities.

"We talk about their wishes and how to get there. We also explain alternatives for burning the bushes when preparing or cleaning a field," says Ana, the Micaia project manager. "And we provide literacy training. We strive to combine sustainable use of natural resources in the region with gender equality and income generation. Getting more resilient, financially and through the applied methods, will sustainably improve the social and economic situation in these districts."



*Nine people have permanent employment in the BPM processing factory in Chimoio, hereof five are women. Another 16 are seasonal workers. About 100 tons of powder are produced per year from baobab collected by the 1.800 women from 35 villages. In line with the domination of women collectors, also **the employees of BPM are mainly women.** In 2020, 38 of 47 FTEs were women.ⁱ*

*The impact of the baobab value chain work is gaining **recognition outside of Mozambique** and won the innovation award at the 5th Regional Conference of GIAEs in June 2021 in Ethiopia.*

3. Gender and result-based monitoring – Monitoring and knowledge management

The Inclusive Business Models are implemented through iDPPs with well-established private companies. The project carefully screens its partners before set-up of the partnership. One assessment factor is the potential for income opportunities for smallholders with a special focus on women. During implementation, the empowerment of women is included in the project's capacity development strategy and covered by the result-based monitoring. Key-players from various levels, including women of the *Malambe* association are invited to planning and monitoring workshops.

Mafita is a baobab collector, aged 50 years, living in Lampa Sede village, in Tambara district, Manica Province: “BPM is empowering us as women, I have bought so many things since I started selling baobab to BPM (solar panel at 2,000 MZN, 1 cow, constructed a house made of stone), this year my plan is to plaster my house of four bedrooms and one sitting room which I built last season with money earned from the pre-processing job” said Mafita.

Final assessment after the end of the iDPPs is conducted through interviews and Focus Group Discussions with personnel of the company and integrated smallholders and based on company statistics.



Additionally, two of the Inclusive Business Approaches are currently put into case studies. One refers to chicken outgrowers, who are supported by the equipment providing company with training and advice through their women-led shops. The other case is the baobab value chain with the collector's association. The case studies put persons - identified as representatives - in the centre of the stories to explain the Inclusive Business Model approach. This aims for a wider sharing of the experiences, hoping others are inspired to develop similar, locally adapted approaches in their project's context.

4. Cooperation – Challenges, key success factors and people involved

GIZ Mozambique has a coordinated network of Gender Focal Points (GFP) in all programmes and most decentralised offices. The Sustainable Economic Development Programme has several GFP in its different projects. They advise their projects and keep an eye on identifying and seizing opportunities. The Inclusive Business Model Approach for the baobab value chain was gradually developed throughout the past years jointly by managing director of BPM and Micaia Foundation Andrew Kingdom and Ana Mlambo, project manager of Micaia and the GIZ projects. IP Consult implements the approach for GIZ since 2018. The involvement of the project's monitoring officer and GFP strategically allows the coordination and the exchange with the other inclusive business approaches of the project, such as the support to chicken outgrowers.

Success factors

- Partnering with a social enterprise, which is more sustainable than simply a civil society association.
- Setting up an inclusive business model to improve the integration of collectors in the baobab value chain and upscaling the approach through additional value creation (new products, new markets) as well as complementing it with social actions and financial solutions to mitigate external shocks.
- Forming an association which holds shares at BPM; whereby the association is responsible for communication with the lead collectors, organising the preparation of the purchasing campaign and agree on prices and margins with the collectors; this forms a good basis to have impact on structural changes.

Challenges

- Impact of climate change (changing unpredictable rain patterns and extreme droughts).
- Export market volatility and difficulties to establish reliable, long-term marketing commitments.
- Interest of men to benefit when they see that women earn money.



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ⁱ One full-time equivalent equals 1 job that corresponds to 8 hours of work per day over 225 days a year. Calculated based on the number of fulltime and seasonal jobs.