



Private Sector Development Impact Stories

Market systems and value chain development



DCED

The Donor Committee for Enterprise Development

The [DCED's Impact Stories](#) webpage offers a collection of short stories about private sector development programmes that have created jobs and income for the poor at scale – according to self-reported results. These stories underline the great potential of the private sector to generate economic opportunities and improve the living conditions of the poor.

Impact Story: Upgrading the Mozambican Cashew Value Chain

While Mozambique used to be the world's leading cashew producer and was the first African country to produce cashews on an industrial scale, the country's civil war, a series of failed policies and competition from Indian processors caused the cashew sector to collapse. By the late 1990s, Mozambique exported most of its nuts raw to India for processing and value added.

What has been done? USAID commissioned a cashew subsector analysis, which suggested that SME processors could bring value back to Mozambique. Based on this, USAID and others funded Technoserve to provide technical assistance to Miranda Caju Ltd. This pilot SME processor became profitable within months and provides training to supplying farmers to improve quality and yields. This increased their incomes by 20 per cent on average. Technoserve also helped to replicate this business model throughout Mozambique's Nampula region.

What has been achieved? By 2008, Technoserve had 14 client cashew processing plants, which bought nuts from more than 102,000- small-scale producers – at a price 10 to 16% above market price [\[Technoserve 2008b\]](#). Selling directly to the factories, rather than to merchants based in the city, created a reliable market for the farmers and enabled them to save the costs associated with transport. The processing plants had total sales revenues of more than \$9.7 million in 2008 and employed more than 6,100 fulltime employees. *More information:* [World Bank \(2010\)](#) and Technoserve ([2008a](#) and [2008b](#)).

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