

# The Impacts of Covid-19 on the Charcoal Value Chain and Rural Livelihoods in Mozambique

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Panel: Value Chain Analysis

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# Livelihood impacts of Coping with Covid in rural Africa (CwC)

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# Research Questions

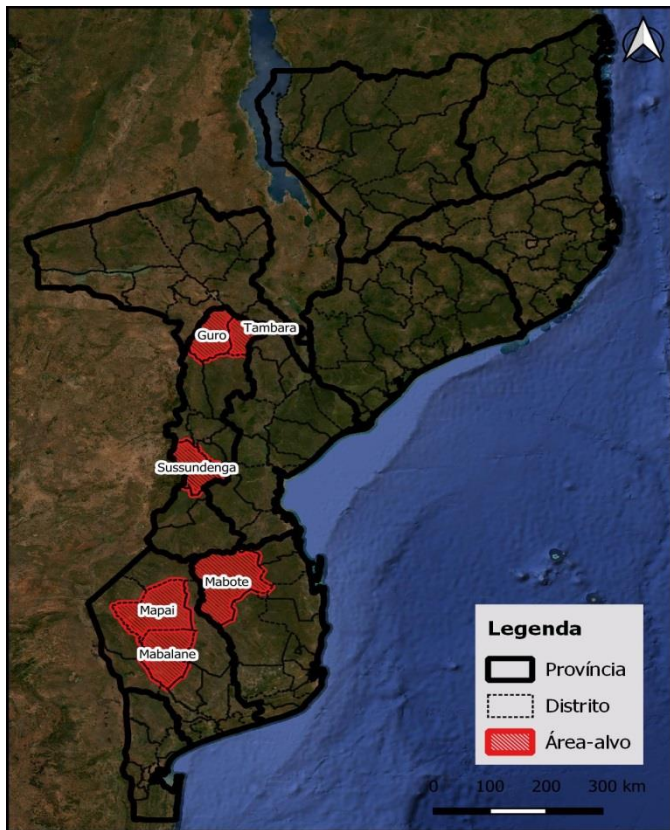


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**RQ 1)** How were rural livelihoods in Mozambique affected by Covid, particularly in the charcoal value chain?

**RQ 2)** What can we learn for building value chains that prove resilient for the most vulnerable value-chain actors?

# Research design & methods



- 441 interviews with 92 panelists in 9 communities, 6 districts
- 3-7 study weeks (May-July 2020)
- 10/11 panelists per community
- All of Mozambique: state of emergency/calamity (transport, trading restrictions, social distancing etc.)

# Methodological metamorphoses

- **Phone panel questionnaires**
  - Based on prior work (Pritchard et al., 2020; Smith et al., 2019)
  - Local languages <-> PT (coded & analysed through Nvivo 12)
  - First week: straightforward questions/answers (phone!)
- **Weekly individual calls: co-d/revise study, questionnaires, analysis**
  - Revised questionnaires for final two weeks: more focus on risk, community responses



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# Results: 1- Charcoal value chain (1)

- **Pre-Covid:**
  - Key semiformal economic sector, crucial cash income source (Baumert et al., 2016; Vollmer et al., 2017)
  - 90% value generation elsewhere for small-scale producers; weak associations
- **During Covid:**
  - Trains discontinued => key transport link eliminated
- **Livelihoods under Covid:**
  - Charcoal in payment at stalls
  - Production: no collaboration, mutual aid
  - Changed transport modalities: difficult to sell, access sacks and rope for packaging; truck drivers: strong position
  - Differences in volume & price

# Results: 1- Charcoal value chain (2)

- **Livelihoods under Covid**

*‘Before, we used to sell charcoal through the train, to people who came from Maputo and bought charcoal wholesale. Now they don’t buy like they used to. I used to be able to sell 10 or 20 sacks per month. Now, I can only sell 5 sacks.’ (BR-06-02)*

*‘[With the pandemic] we are not selling well ... It feels like we are getting ripped off because of coronavirus.’ (BR-05-02)*

- **Small-scale charcoal producers**

- Restricted selling opportunities in terms of volume and price
- Market power asymmetries

- **No collective power to contest urban charcoal sellers**

## Results: 2 - Other value chains

- **Baobab:**

- Civic-minded investor & company; adjusted operations during Covid  
*‘I have nothing to sell. I did not sell peanuts; we are only selling baobab, and the women are able to buy a lot of things with the money from baobab.’ (TL-01-05)*
- Risk transferred away from most vulnerable in civic-based



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# Discussion (1)

- **Charcoal value chain in rural Mozambique under Covid:**
  - Heightened engagement (women – no other livelihoods)

## **Positive:**

- Used as payment at stalls

## **Negative:**

- No collaboration permitted
- Difficulty accessing sacks & rope for packaging
- Limited bargaining power vs. truck drivers (transport & prices)
- Unpredictable sales & prices for small-scale

# Discussion (2)

## – **Charcoal value chain:**

- Market-based (i.e. price most important)
- Higher returns for charcoal in urban centres, not passed on to producers
- No contestation because associations weak
- Food insecurity in charcoal communities, esp. among vulnerable (gender, age)

## – **Baobab value chain:**

- Civic-minded investors (i.e. concerned about producer welfare)
- Alliance: producer association, investor, company

# Recommendations

- **Baobab:** producer associations helped increase bargaining power, NGO support
- **Charcoal:** associations weak/non-existent; little governmental/civil society/donor support
  - **Govt/Donors-NGOs/Research/Associations:** Explore opportunities to facilitate charcoal producer associations: transport links/access to packaging/equitable pricing&selling opportunities
  - **Donors-NGOs/Research/Associations:** Facilitate cross-chain learning between sectors
  - **Govt/donors:** Vulnerability analysis (Covid exacerbated existing vulnerabilities, new exposures created)

# Thank you!

## Questions?

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