
République du Mozambique
Programme d'options stratégiques pour le pays
2023-2027

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Mesures à prendre: Le Conseil d'administration est invité à examiner le programme d'options stratégiques pour la République du Mozambique (2023-2027).

Questions techniques:

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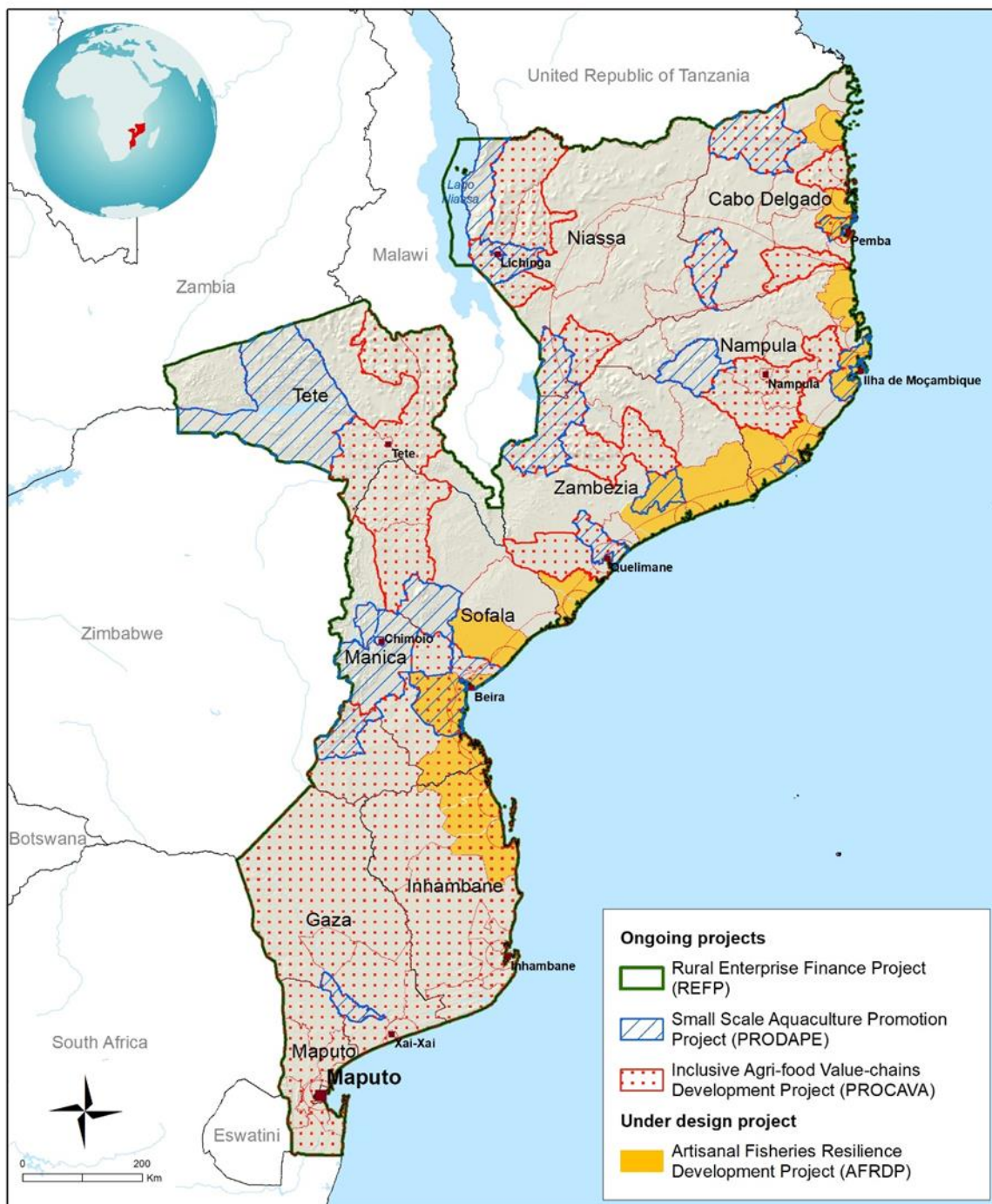
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Carte des zones d'intervention du FIDA dans le pays



Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Source : FIDA, 16/08/2023

Résumé

1. Le Mozambique, pays en situation de fragilité, fait partie des pays les moins avancés et présente des niveaux de pauvreté élevés, en particulier dans les provinces du Nord. En 2021, 45,1% de la population vivait sous le seuil de pauvreté et près de la moitié des habitants (49,9%) souffraient de pauvreté multidimensionnelle extrême.
2. En raison des changements climatiques, le pays est frappé par de fréquents phénomènes météorologiques extrêmes (cyclones, inondations, sécheresses), qui ont des effets dévastateurs sur la sécurité alimentaire et les moyens d'existence des populations rurales pauvres.
3. Après une forte croissance de 2001 à 2015, l'économie est en déclin constant sous l'effet de plusieurs facteurs: la crise de la « dette cachée », les phénomènes météorologiques extrêmes et la pandémie de COVID-19, qui exposent le pays à un risque élevé de surendettement.
4. Dans sa lutte contre la pauvreté en milieu rural, le programme d'options stratégiques pour le pays (COSOP) est aligné sur la Stratégie nationale de développement du Mozambique 2015-2035, le Plan stratégique pour le développement du secteur agricole 2022-2031 et les autres politiques déterminantes pour le secteur. Il est également conforme aux objectifs de développement durable ainsi qu'au cadre stratégique du FIDA et aux objectifs correspondants.
5. **Le COSOP vise** à contribuer à la transformation des zones rurales et à l'inclusivité en renforçant les liens entre nutrition et agriculture et, plus globalement, en mettant plus généralement l'accent sur les filières et les systèmes alimentaires. Il s'agit d'augmenter la productivité et la sécurité alimentaire des ménages ruraux en améliorant leur résilience et leur capacité d'adaptation aux chocs environnementaux et aux changements climatiques.
6. Dans un contexte marqué par la menace des changements climatiques, les chocs environnementaux extrêmes et la restriction des ressources, la **théorie du changement** du COSOP est fondée sur le principe selon lequel réduction de la pauvreté, augmentation de la sécurité alimentaire et amélioration de la nutrition passent par:
 - une exploitation durable des ressources naturelles, la préservation de la biodiversité et des écosystèmes, ainsi que des systèmes agricoles diversifiés, plus résistants aux chocs environnementaux et aux changements climatiques (objectif stratégique n° 1);
 - le renforcement des filières tenant compte des enjeux nutritionnels, un meilleur accès aux services financiers et l'implication du secteur privé (objectif stratégique n° 2);
 - un renforcement des institutions publiques, à l'échelle nationale, régionale et locale, par une concertation sur les politiques, une coordination sectorielle et un renforcement des systèmes de responsabilisation nationaux (objectif stratégique n° 3).
7. L'éventail des interventions du FIDA comprend des projets d'investissement rural financés par des prêts ou des dons ainsi que des activités hors prêts telles que travaux analytiques, renforcement des capacités, contribution à l'élaboration des politiques au niveau national et coopération Sud-Sud et triangulaire. Le COSOP, qui s'inscrit dans la continuité du Plan-cadre de coopération des Nations Unies pour le développement durable 2022-2026 et de la Treizième reconstitution des ressources (FIDA13), couvre une période allant de 2023 à 2027.

République du Mozambique

Programme d'options stratégiques pour le pays 2023-2027

I. Contexte national

1. **Contexte politique.** Le Mozambique est une démocratie parlementaire. Même si les troubles politiques et le conflit entre les autorités publiques et le principal parti d'opposition se sont apaisés, une insurrection armée est en cours dans les provinces du Nord depuis 2017 et les conditions de sécurité restent précaires.
2. **Fragilité.** Depuis 2021, le Mozambique figure de nouveau sur la liste des pays en situation de fragilité ou de conflit publiée par la Banque mondiale. Les principaux facteurs de cette fragilité sont: i) un conflit d'intensité moyenne dans la province de Cabo Delgado, ii) une pauvreté en milieu rural, liée à une faible productivité agricole et à des disparités entre régions; iii) une faiblesse institutionnelle et un manque de gouvernance; iv) une grande vulnérabilité face aux catastrophes naturelles et aux changements climatiques (appendice V).
3. **Développement macroéconomique.** Le développement économique du Mozambique au cours des quatre dernières décennies s'est montré irrégulier. Entre 2001 et 2015, la croissance économique annuelle a été de 7,0% en moyenne, sous l'effet de projets d'investissement de grande ampleur dans les industries extractives, d'investissements publics dans les infrastructures et d'un soutien majeur des donateurs. Depuis 2016, la croissance ralentit sous l'effet combiné de la crise de la « dette cachée »¹, de phénomènes météorologiques extrêmes et de la COVID-19. La croissance du produit intérieur brut (PIB) est tombée à 2,3% en 2019, puis à -1,2% en 2020 en raison de la pandémie de COVID-19².
4. La croissance du PIB a atteint 2,2% en 2021 sous l'effet de la reprise observée dans les secteurs des services, de l'industrie et de l'agriculture, et pourrait atteindre 5,7% en moyenne entre 2022 et 2024 si l'augmentation de la demande et du chiffre d'affaires attendue après la reprise de la production de gaz naturel liquéfié dans la province de Cabo Delgado se confirme³.
5. La guerre en Ukraine constitue une autre menace pour le redressement économique: les dépenses en subventions ciblées (carburant et nourriture) engagées pour compenser la hausse du coût de la vie ont attisé l'inflation et augmenté la pression budgétaire.

¹ Cortez, E. et al. (2021). "Costs and Consequences of the Hidden Debt Scandal of Mozambique". Chr Michelsen Institute. Consulté à l'adresse <https://www.cmi.no/file/4442-Costs-and-consequences-of-the-hidden-debt-FINAL.pdf>.

² Banque mondiale (2022). *GDP growth (annual %) – Mozambique*. Consulté à l'adresse <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=MZ>

³ Banque mondiale (2022). *The World Bank in Mozambique*. Consulté à l'adresse <https://www.worldbank.org/en/country/mozambique/overview>

A. Contexte socioéconomique

Tableau 1
Indicateurs concernant le pays

Indicateur	Données	Année de référence
Revenu national brut par habitant	480 USD	2021 ⁴
Croissance du PIB	4,1%	2022
Dette publique (en % du PIB)	102,9%	2020
Ratio du service de la dette	34%	2020
Ratio dette/PIB	102,4%	2022 ⁵
Taux d'inflation (%)	7,4%	2023 ⁶
Population	33 millions (estimation)	2022 ⁷
Population féminine	21 millions (estimation)	2021
Population jeune	94,3%	2022 ⁸
Taux de chômage	Très élevé	2022 ⁹
Indice de fragilité	34%	2020
Indice de risque INFORM	6,7/10	2021 ¹⁰

6. **Démographie.** La population devrait doubler d'ici 2053, pour atteindre 66 millions¹¹. Les jeunes économiquement actifs représentent 64% de la population, et la majorité d'entre eux (62%) vivent en milieu rural.
7. **La pauvreté en milieu rural** est estimée à 64,2% et la moitié de la population souffre de pauvreté multidimensionnelle extrême¹². Les zones rurales sont les plus touchées par cette pauvreté extrême, en particulier les provinces du Nord.
8. **Environnement entrepreneurial.** Sur 180 pays, le Mozambique occupe la 147^e place au classement 2021 de l'indice de perception de la corruption de Transparency International¹³, une position qui reflète les difficultés administratives et juridiques rencontrées pour investir dans des entreprises.
9. **Nutrition et sécurité alimentaire.** Malgré les légères baisses enregistrées, 40,4% de la population restait en situation d'insécurité alimentaire en 2020, et 33% en situation de sous-alimentation^{14,15}, à des niveaux particulièrement élevés dans le Nord.

⁴ Sauf mention contraire, données issues de la Banque mondiale (2022). *Mozambique Data*. Consulté à l'adresse: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=MZ>

⁵ <https://www.worldeconomics.com/GrossDomesticProduct/Debt-to-GDP-Ratio/Mozambique.aspx>

⁶ <https://www.imf.org/en/Countries/MOZ#countrydata>

⁷ World Population Review (2022). *Mozambique Population 2022 (Live)*. Consulté à l'adresse <https://worldpopulationreview.com/countries/mozambique-population>

⁸ The Global Economy (2022). *Mozambique: Fragile state index*. Consulté à l'adresse https://www.theglobaleconomy.com/Mozambique/fragile_state_index/

⁹ Bureau des Nations Unies pour la coordination des affaires humanitaires, 2022. *Country Risk Assessment Map - Q2 2022*. Consulté à l'adresse <https://www.coface.com/News-Publications/Publications/Country-Risk-Assessment-Map-Q2-2022>

¹⁰ <https://drmkc.jrc.ec.europa.eu/Inform-Index/Portals/0/InfoRM/CountryProfiles/MOZ.pdf>

¹¹ World Population Review (2022).

¹² Nations Unies (2022). *United Nations Human Development Report 2021-2022*. Consulté à l'adresse: https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

¹³ Transparency International (2021). *Corruption Perceptions Index*. Consulté à l'adresse <https://www.transparency.org/en/cpi/2021>

¹⁴ Banque mondiale (2020). *Prevalence of severe food insecurity in the population (%) – Mozambique*. Consulté à l'adresse <https://data.worldbank.org/indicator/SN.ITK.SVFI.ZS?locations=MZ>

¹⁵ Ibid.

10. **Changements climatiques.** L'indice global d'adaptation de Notre-Dame (ND-GAIN), qui classait 181 pays en 2020, plaçait le Mozambique à la 57^e position des pays les plus vulnérables face aux changements climatiques et à la 11^e position des pays les moins bien préparés à répondre aux chocs¹⁶. Cyclones, inondations et sécheresses, de plus en plus fréquents, ont des effets dévastateurs sur la sécurité alimentaire et les moyens de subsistance des populations rurales pauvres. Le renforcement de la résilience et de la capacité d'adaptation des communautés rurales est désormais une priorité nationale.

B. Scénarios de transition

11. Les perspectives à moyen terme sont considérées comme favorables, sous l'effet d'une reprise mondiale progressive, de l'activité liée au gaz naturel liquéfié et du développement de l'agriculture. Malgré des risques résiduels élevés (hausse des prix des denrées alimentaires, du carburant et des engrais, conditions de sécurité précaires et risques liés aux catastrophes naturelles et aux changements climatiques), une période de relèvement économique est prévue, avec un scénario de base prévoyant une croissance annuelle du PIB de 5 à 8% pour la période 2023-2026 (voir appendice III). Ce scénario repose sur une augmentation de la production et des exportations de gaz naturel liquéfié, une production agricole améliorée et des conditions de sécurité stabilisées dans les provinces du Nord. Il prend également en compte la décision du Fonds monétaire international (FMI) de reprendre son appui budgétaire à l'État, une nouvelle facilité élargie de crédit ayant été approuvée. En août 2022, les autorités publiques ont mis en place un paquet de mesures d'accélération économique¹⁷, programme de réformes destiné à stimuler la croissance.

C. Enjeux liés au système alimentaire et au secteur agricole et rural

Difficultés et perspectives

12. **Possibilités.** En 2020, le secteur agricole représentait 25,6% du PIB¹⁸. Même si les petits exploitants assurent environ 95% de la production totale, le potentiel des dix zones agroécologiques du pays reste largement inexploité. La pêche artisanale contribue de manière significative à la sécurité alimentaire et aux revenus des ménages¹⁹ et fournit plus de 95% de la production aquatique totale.
13. **Défis à relever.** Le développement des économies verte et bleue est entravé par une capacité de croissance limitée de la production des pêcheries de capture, une infrastructure rurale inadaptée, une difficulté d'accès aux intrants et aux marchés, un accès restreint au financement et aux services sociaux de base, des chocs climatiques fréquents et une faible participation du secteur commercial.
14. **Soutien des institutions financières internationales aux systèmes alimentaires.** Au Mozambique, le FIDA collabore étroitement avec les institutions financières internationales au soutien des activités économiques vertes et bleues et du financement en milieu rural. La résilience aux changements climatiques constitue un domaine de collaboration spécifique, où l'avantage comparatif du FIDA réside dans son orientation en faveur des populations pauvres et son ciblage géographique.

¹⁶ Université de Notre Dame (2023). *ND-GAIN Index*. Consulté à l'adresse <https://gain.nd.edu/our-work/country-index/rankings/>.

¹⁷ République du Mozambique (2022). *Economic Acceleration Measures Package*. Ministère de l'économie et des finances.

¹⁸ Banque mondiale (2020), consulté à l'adresse <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=MZ>

¹⁹ Benkenstein, A. (2013). *Small-Scale Fisheries in Mozambique. Policy Briefing 72*. SAIA, *Governance of Africa's Resources Programme*. Consulté à l'adresse <https://saiaa.org.za/wp-content/uploads/2013/08/Policy-Briefing-72.pdf>

Contexte institutionnel et cadre de l'action publique

15. Les objectifs de développement du Mozambique sont définis dans l'Agenda 2025 et la Stratégie nationale de développement 2015-2035²⁰, axés sur la transformation structurelle de l'économie et la diversification de la base de production.
16. Le Plan stratégique pour le développement du secteur agricole 2022-2031 et le Plan national d'investissement dans le secteur agricole 2022-2026, récemment mis à jour, établissent les bases des différentes initiatives de développement rural.
17. Le Projet de gestion du paysage agricole et des ressources naturelles est un programme d'envergure nationale visant à intégrer l'agriculture familiale dans les filières productives.
18. Les politiques, stratégies et plans d'action nationaux en matière de changements climatiques et de catastrophes naturelles sont les suivants: Stratégie nationale d'adaptation aux changements climatiques et d'atténuation de leurs effets 2013-2025 et Plan directeur pour la réduction des risques et catastrophes 2017-2030. La mise en place d'une assurance contre les risques liés aux catastrophes naturelles financée par les fonds consacrés aux risques climatiques disponibles est à l'étude.
19. En 2020, le Mozambique a présenté sa contribution déterminée au niveau national actualisée à la Convention-cadre des Nations unies sur les changements climatiques. Cette contribution annonce une réduction des émissions de gaz à effet de serre de 40 millions de tonnes équivalent CO₂ entre 2020 et 2025 grâce à des mesures d'atténuation telles que le développement des énergies renouvelables, les pratiques agricoles à faible taux émission et la réduction à grande échelle des émissions dues à la déforestation et à la dégradation des forêts dans les pays en développement.
20. Les autorités publiques disposent d'un cadre institutionnel complet pour la mise en œuvre de leurs politiques et programmes de développement rural, aux niveaux national et provincial. Les principales institutions participantes sont le Ministère de l'agriculture et du développement rural, le Ministère de l'aménagement du territoire et de l'environnement et le Ministère de la mer, des eaux intérieures et de la pêche.
21. Les institutions publiques nécessitent un renforcement de leurs compétences dans les domaines suivants: mise en œuvre de systèmes d'alerte précoce, production et traitement de données, services numériques garants d'actions plus efficaces et efficaces, mise en place d'une agriculture climato-compatible, etc.
22. Un programme national de décentralisation a certes conféré plus d'autonomie aux autorités des provinces, mais il a aussi créé une confusion autour de certains rôles, ce qui a donné lieu à des doublons d'activité, avec des conséquences sur des actions soutenues par les donateurs.
23. Les projets financés par le FIDA au Mozambique ont largement recours aux systèmes nationaux de gestion des finances publiques, notamment pour la trésorerie, le paiement et l'information financière. Vérifiés jusqu'ici par des cabinets d'audit privés, les projets du FIDA seront désormais vérifiés par l'institution nationale d'audit (*Tribunal Administrativo*).
24. En 2020, le Mozambique occupait la 140^e position (sur 166 pays) de l'indice des objectifs de développement durable. Des progrès ont été accomplis en ce qui concerne les objectifs 3, 11, 12, 13 et 14 mais seul l'objectif 12 devrait être atteint d'ici à 2030²¹.

²⁰ La *Estratégia Nacional de Desenvolvimento*, en cours de révision, portera sur la période 2015-2035.

²¹ Organisation des Nations Unies, 2021. *Mozambique Common Country Analysis*.

II. Engagement du FIDA: bilan de l'expérience

A. Résultats du précédent COSOP

25. Certains des principaux résultats obtenus sont les suivants:
26. Au moment de l'examen à mi-parcours, en 2021, le COSOP avait atteint un total de 184 786 ménages, soit 56% du total visé, qui s'élève à 330 173. Le Projet de promotion de la petite aquaculture, qui s'est achevé en 2019, a bénéficié à quelque 1 950 pisciculteurs (dont 1 116 nouveaux exploitants).
27. Les actions porteuses de transformations en matière de genre et l'approche fondée sur le Système de formation-action pour l'égalité femmes-hommes adoptées par le Programme de promotion des marchés en milieu rural (PROMER) ont permis d'atteindre l'objectif de 51% de femmes et 51% de jeunes parmi les bénéficiaires. L'éducation nutritionnelle a permis à 40% des femmes d'atteindre la diversité alimentaire minimale chez les femmes tandis que 51% des membres des organisations paysannes étaient des femmes, et 31%, des jeunes. Dans les organisations paysannes, 75% des femmes occupent des postes à responsabilités et 50% des négociants font désormais participer leurs femmes et leurs enfants à leur activité. Le Système de formation-action pour l'égalité femmes-hommes a contribué à l'autonomisation économique des femmes tout en leur donnant voix au chapitre, en assurant une meilleure répartition des tâches et en réduisant les violences domestiques.
28. Les volets concernant la nutrition ont été généralisés et intégrés dans tous les portefeuilles d'investissement du pays. Les évaluations finales en matière de diversité alimentaire minimale ont confirmé l'effet du programme national et sa contribution à la situation nutritionnelle globale du pays, la malnutrition chronique étant passée de 43% à 38%. Tous les nouveaux projets s'appuient sur le modèle de filière tenant compte des enjeux nutritionnels et intègrent des volets nutritionnels dans toutes leurs composantes.
29. Dans le programme national, le soutien aux associations d'épargne et de crédit est resté un modèle essentiel et durable. Au total, 3 388 associations ont été créées ou renforcées, ce qui représente 25 000 membres. Elles s'appuient actuellement sur les technologies de l'information et de la communication et les plateformes de paiement mobile pour sécuriser les transactions et reçoivent un soutien pour tisser des liens avec le secteur financier formel.
30. Le partenariat public-privé-producteurs a concerné un total de 11 077 exploitants, dont 33% étaient des femmes et 35%, des jeunes. À titre d'exemple, dans le cadre du partenariat établi avec l'unité de transformation DATCO Mandioca Moçambique, quelque 5 803 petits exploitants de la filière manioc ont vendu environ 23 063 tonnes de manioc frais, pour un chiffre d'affaires d'environ 1,0 million d'USD.
31. Sous l'effet combiné de l'amélioration et la certification des semences, du transfert de technologies, des bonnes pratiques agronomiques, de l'assistance technique reçue des agents de vulgarisation, de la promotion des installations de transformation, de la fourniture de kits et de l'amélioration de l'accès au marché dans le cadre du Programme de développement de filières agroalimentaires inclusives, le rendement moyen du manioc s'est considérablement amélioré, passant de 6 tonnes/ha (base de référence) à 20 tonnes/ha (valeur finale). Toutefois, le manioc étant considéré comme un produit à faible valeur, le revenu global des agriculteurs est resté inférieur au montant espéré. Les investissements à venir devraient renforcer la transformation du manioc et mettre l'accent sur les produits à valeur ajoutée pour augmenter les revenus des exploitants.
32. Des dons ont permis de soutenir des actions dans des domaines essentiels du développement (nutrition, population jeune, personnes handicapées) par une implication accrue dans les plateformes de concertation nationale (le groupe de donateurs sur l'agriculture et le développement rural), l'examen et la mise en place

de politiques et de stratégies sectorielles, des échanges préparatoires au Sommet sur les systèmes alimentaires et d'autres concertations *ad hoc*.

33. Le travail analytique réalisé en partenariat avec d'autres organismes des Nations Unies en réponse à la pandémie de COVID-19 a fourni des connaissances précieuses. Dans le cadre de la préparation du bilan commun de pays, une collaboration similaire avec d'autres organismes des Nations Unies a eu lieu: la fragilité du pays a fait l'objet d'une analyse et d'une programmation conjointes en vue de traiter les causes socio-économiques profondes du conflit dans les régions du Nord.
- B. Enseignements tirés du précédent COSOP et d'autres sources**
34. **Se préparer aux situations d'urgence.** Pour s'adapter à des catastrophes environnementales et à d'autres chocs climatiques récurrents, le FIDA doit faire preuve d'agilité et de souplesse dans ses investissements.
35. **Résilience et adaptation.** Des structures d'investissement plus robustes et plus résistantes aux aléas climatiques doivent être mises en place afin de protéger les investissements chèrement acquis dans les projets et d'accroître leur durabilité.
36. **L'action du FIDA destinée à renforcer des organisations paysannes** pour viabiliser leur fonctionnement est un processus à long terme qui, pour certaines d'entre elles, nécessite un soutien supplémentaire et une assistance postérieure au projet.
37. **Filières tenant compte des enjeux nutritionnels.** Renforcer les systèmes alimentaires dans leurs diverses composantes est la meilleure stratégie pour améliorer la sécurité alimentaire et nutritionnelle et les revenus des petits exploitants agricoles.
38. **L'approche de partenariat public-privé-producteurs** s'est révélée essentielle dans le renforcement des filières et de l'accès au marché.
39. **Le Système de formation-action pour l'égalité femmes-hommes** a contribué à l'autonomisation économique des femmes tout en leur donnant voix au chapitre, en assurant une meilleure répartition des tâches et en réduisant les violences domestiques. Toutefois, les efforts doivent être poursuivis pour garantir aux femmes un accès aux postes de décision dans les organisations paysannes et assurer une plus grande égalité entre les sexes en ce qui concerne les avantages économiques et sociaux.
40. **La mise en œuvre des projets** a souvent souffert de retards de démarrage. À l'avenir, il est recommandé que les interventions respectent les points suivants: i) mise à disposition de fonds de démarrage ou d'un financement rétroactif; ii) rapport de conception du projet et accord de financement traduits sans délai, pour une approbation et une ratification rapides par les pouvoirs publics; iii) compte spécial de projet ouvert rapidement; iv) enregistrement dans le portail client du FIDA et demande de fonds de démarrage effectués sans délai; v) recrutement précoce du personnel essentiel et des spécialistes; vi) achèvement du manuel détaillé d'exécution du projet, y compris la traduction des rubriques spécifiquement consacrées aux entités décentralisées; vii) atelier de démarrage; etc.
41. **Complexité de la conception des projets.** Une conception de projet simple est essentielle pour garantir que le projet respecte les capacités de mise en œuvre des institutions partenaires, présentes ou à venir.
42. **Accès au financement pérenne.** Dans le cas du Mozambique, le soutien aux associations d'épargne et de crédit s'avère une solution rentable et durable. Les actions du projet doivent permettre d'établir les liens entre ces associations et les systèmes financiers formels, et d'améliorer le cadre réglementaire afin de promouvoir le financement en milieu rural dans le pays.

43. **Contributions en nature.** Le Programme de promotion des marchés en milieu rural (PROMER) a mis au point un modèle complet pour la collecte et la déclaration des contributions en nature des pouvoirs publics et des bénéficiaires. À l'avenir, il est recommandé que les projets adoptent ce modèle et intègrent les instructions correspondantes dans leur manuel d'exécution.

III.Stratégie pour des programmes de pays porteurs de transformation

A. Théorie du changement du COSOP

44. Dans un contexte caractérisé par la pauvreté en milieu rural, la fragilité, la vulnérabilité (face aux changements climatiques et à l'insurrection en cours dans le Nord) et l'insécurité alimentaire et nutritionnelle, et en s'appuyant sur les accomplissements permis par le programme de pays du FIDA, ce COSOP entend renforcer et élargir ses interventions efficaces au service d'activités destinées à des problématiques spécifiques. Les principaux facteurs de réussite recensés sont les suivants: i) accélération et renforcement de la résilience et de la capacité d'adaptation des communautés aux chocs extérieurs, par un ciblage des groupes vulnérables et des zones géographiques concernées; ii) emploi d'une palette d'instruments de financement (programme de prêts et dons, cofinancement, financement parallèle, opérations non souveraines dans le secteur privé, dons, etc.) pour accroître le ratio de levier du FIDA; iii) renforcement des groupes communautaires, des institutions publiques et des partenaires, à tous les niveaux. L'investissement proposé au titre de ce COSOP permettra de transformer durablement les systèmes alimentaires et de réduire la vulnérabilité sociale et économique des ménages ruraux grâce à une productivité accrue, une sécurité alimentaire et nutritionnelle améliorée, une capacité d'adaptation et une résilience aux chocs climatiques renforcées, un accès aux services financiers facilité, des filières et des marchés améliorés, un secteur privé impliqué et des capacités institutionnelles renforcées. Une attention particulière sera accordée à l'autonomisation des femmes, à la réduction des inégalités entre les sexes et au chômage des jeunes, avec des investissements qui devront être porteurs de transformations en matière de genre et promouvoir l'inclusion des jeunes. La théorie du changement du présent COSOP respecte le Plan-cadre de coopération des Nations Unies pour le développement durable 2022-2026 du pays²², le Cadre stratégique du FIDA 2016–2025 et les stratégies de mise en œuvre du FIDA découlant du Sommet des Nations Unies sur les systèmes alimentaires de 2021. L'objectif stratégique 1 porte sur la gestion des ressources naturelles, la biodiversité et les changements climatiques; l'objectif stratégique 2 concerne la prise en compte des enjeux nutritionnels dans les filières, l'amélioration de l'accès aux services financiers et l'implication du secteur privé; l'objectif stratégique 3 vise le renforcement institutionnel à tous les niveaux.

²² Ultérieurement enrichi par une consultation du Coordonnateur résident des Nations Unies lors de la conception du COSOP.

B. Objectif général et objectifs stratégiques

45. **Le COSOP vise** à contribuer à la transformation des zones rurales et à la promotion de l'inclusivité en réconciliant nutrition et agriculture et, plus globalement, en renforçant les filières et les systèmes alimentaires. Il s'agit d'augmenter la productivité et la sécurité alimentaire des ménages ruraux en améliorant leur résilience et leur capacité d'adaptation aux chocs environnementaux et aux changements climatiques.
46. **Les objectifs stratégiques du COSOP** sont les suivants:
- **Objectif stratégique n° 1: exploitation durable des ressources naturelles, préservation de la biodiversité et des écosystèmes améliorée, systèmes agricoles diversifiés, plus résistants aux chocs environnementaux et aux changements climatiques.** L'objectif stratégique 1 met l'accent sur une utilisation durable des terres et de l'eau, la préservation de la biodiversité et des écosystèmes, la diversification des systèmes agricoles, ainsi que sur les mesures d'adaptation au climat et de renforcement de la résilience, avec des retombées positives en termes d'atténuation des risques liés aux chocs climatiques récurrents et extrêmes et aux catastrophes naturelles.
 - **Objectif stratégique n° 2: Renforcement des filières tenant compte des enjeux nutritionnels, meilleur accès aux services financiers et implication du secteur privé.** L'objectif stratégique 2 met l'accent sur les produits agroalimentaires essentiels, la pêche artisanale et l'aquaculture, avec un soutien destiné à augmenter la production d'aliments nutritifs et faciliter l'accès au marché des petits exploitants et des agrégateurs commerciaux, ainsi que sur la création d'emplois non agricoles (en particulier pour les jeunes dans les zones de conflit). Il s'agira notamment d'améliorer l'accès au financement pour les populations pauvres en milieu rural et les petites exploitations, en s'appuyant sur des institutions financières formelles à assise communautaire et sur une collaboration accrue avec le secteur privé à différents maillons des filières.
 - **Objectif stratégique n° 3: Renforcement des institutions publiques nationales, régionales et locales concertation sur les politiques, coordination sectorielle et renforcement des systèmes de responsabilisation nationaux** Il s'agira notamment de soutenir le processus de décentralisation en cours et de promouvoir la participation des bénéficiaires à la prise de décisions.

Tableau 2
Objectifs stratégiques du COSOP

<i>Principale priorité de développement (objectif stratégique)</i>	<i>Institutions sous- jacentes</i>	<i>Enjeux de réforme des politiques publiques</i>	<i>Interventions proposées (au titre de prêts ou hors prêts)</i>
Objectif stratégique n° 1:	Ministère de l'agriculture et du développement rural Ministère de l'aménagement du territoire et de l'environnement Ministère de la mer, des eaux intérieures et de la pêche	Législation et politique nécessaires pour: <ul style="list-style-type: none"> ● garantir l'accès aux terres arables et leur sécurité (en particulier pour les femmes) 	Activités de prêts/d'investissements <ul style="list-style-type: none"> ● En cours ● Envisagées/prospectives Activités hors prêts/hors projets <ul style="list-style-type: none"> ● Contribution à l'élaboration des politiques au niveau national
Objectif stratégique n° 2:	Ministère de l'agriculture et du développement rural Ministère de la mer, des eaux intérieures et de la pêche Ministère de l'aménagement du territoire et de l'environnement Ministère de l'économie et des finances Banque centrale	Législation nécessaire pour: <ul style="list-style-type: none"> ● réglementer le classement et la commercialisation du bétail ● enregistrer les associations paysannes, les associations d'usagers de l'eau et les coopératives ● créer un environnement propice à la finance rurale ● établir un cadre juridique pour les associations d'épargne et de crédit 	Activités de prêts/d'investissements <ul style="list-style-type: none"> ● En cours ● Envisagées Activités hors prêts/hors projets <ul style="list-style-type: none"> ● Contribution à l'élaboration des politiques au niveau national ● Partenariats ● Coopération Sud-Sud et triangulaire ● Gestion des connaissances
Objectif stratégique n° 3:	Ministère de l'économie et des finances Banque centrale Ministère de l'agriculture et du développement rural/Ministère de la mer, des eaux intérieures et de la pêche/Ministère de l'aménagement du territoire et de l'environnement	Législation nécessaire pour: <ul style="list-style-type: none"> ● Améliorer les entités décentralisées 	Activités de prêts/d'investissements <ul style="list-style-type: none"> ● En cours ● Envisagées Activités hors prêts/hors projets <ul style="list-style-type: none"> ● Contribution à l'élaboration des politiques au niveau national ● Partenariats ● Coopération Sud-Sud et triangulaire ● Gestion des savoirs

47. **Pérennisation.** La stratégie de pérennisation du COSOP s'articule autour de deux axes: premièrement, travailler avec les communautés, renforcer leurs capacités et celles des entités locales et des mécanismes de gouvernance. Les organisations paysannes, les unions et coopératives de district ainsi que les conseils communautaires de pêche seront impliqués. Deuxièmement, soutenir le renforcement du gouvernement et des autres institutions concernées, en insistant sur le renforcement des capacités et des institutions au niveau du pays, de la région, du district et de la communauté. Une attention particulière sera portée à l'implication du secteur privé au moyen de modèles de partenariat public-privé-producteurs pérennes. Le recours à l'institution supérieure de contrôle des finances publiques devrait renforcer les aspects liés à l'appropriation, à la responsabilisation et à la viabilité dans l'action des autorités publiques.
48. **Reproduction à plus grande échelle.** Les actions susceptibles d'être transposées à plus grande échelle sont les interventions efficaces dans le domaine de la nutrition, des associations d'épargne et de crédit et de l'intégration des questions liées au genre. Parmi les autres initiatives candidates à un changement d'échelle figurent les projets pilotes dans le domaine de l'aquaculture, le soutien aux filières établies dans les couloirs de développement, l'assistance technique à la production et à l'accès au marché issue du partenariat public-privé-producteurs, les systèmes de réduction des pertes après récolte et le développement d'infrastructures résilientes face aux changements climatiques.

Thématiques transversales

49. **Genre, jeunes et personnes handicapées.** En ce qui concerne les femmes, les activités faciliteront l'accès aux terres et aux ressources productives, aux compétences entrepreneuriales et au financement. Le Système de formation-action pour l'égalité femmes-hommes continuera à être appliqué, dans l'ensemble du portefeuille. Adapté aux besoins et compétences spécifiques des jeunes, le soutien comprendra une formation et un encadrement dans les domaines suivants: amélioration des systèmes et pratiques de production, agriculture commerciale, services numériques, emploi non agricole et entrepreneuriat.
50. **Nutrition.** Par leur approche axée sur le système alimentaire, les interventions favoriseront les filières tenant compte des enjeux nutritionnels, avec une action portant sur les aliments riches en nutriments (disponibilité, accessibilité financière et consommation) à destination des groupes vulnérables (femmes enceintes et allaitantes, personnes atteintes du VIH/sida). Elles peuvent être de différentes natures: promotion de variétés de cultures riches en nutriments, biofortification, technologies d'après récolte, commercialisation d'aliments nutritifs et éducation nutritionnelle.
51. **Retombées positives liées à l'adaptation aux changements climatiques et à l'atténuation de leurs effets.** Conformément à la contribution déterminée au niveau national, les interventions soutiendront l'élaboration ou la révision des plans d'adaptation locaux, l'amélioration des systèmes d'alerte précoce, l'accès aux informations climatiques et météorologiques, les infrastructures résilientes face aux changements climatiques, les pratiques et technologies d'une agriculture climato-compatible, l'intensification de la réduction des émissions dues à la déforestation et à la dégradation des forêts, les énergies renouvelables, l'assurance contre les risques climatiques, les pratiques efficaces de gestion de l'eau et des terres et l'échange de droits d'émission de carbone.

C. Groupe cible et stratégie de ciblage

Groupe cible

52. **Le principal groupe cible** (80% des bénéficiaires) est constitué de petits exploitants agricoles et de pêcheurs vulnérables, souffrant d'insécurité alimentaire et présentant un potentiel économique (agriculteurs de subsistance – catégorie A²³,

²³ Voir l'appendice II pour plus de détails

femmes et jeunes sans emploi²⁴), qui seront soutenus pour développer leur résilience face aux changements climatiques, stimuler leur productivité et bénéficier de possibilités d'emploi non agricole aux différents maillons des filières. Une attention particulière sera accordée aux groupes vulnérables touchés par le conflit dans les provinces du Nord, notamment les jeunes et les femmes.

53. Le deuxième groupe cible (20%) est constitué de petits entrepreneurs susceptibles d'être des moteurs du changement et de contribuer à la création d'emplois (en tant qu'agrégateurs ou que catalyseurs) en renforçant les filières et en améliorant l'accès au marché (agriculteurs novices ou ayant un statut semi-commercial – catégorie B); le soutien à ce groupe sera conditionné à l'assistance qu'il apporte aux bénéficiaires de la catégorie A. En outre, les entreprises du secteur privé seront encouragées financièrement à s'engager avec les organisations paysannes à différents maillons de la filière pour fournir financement, innovation, technologie, formation, services de regroupement et possibilités commerciales à la population cible (moyenne et grande échelle – catégorie C).
54. Des quotas cibles garantiront la participation des femmes (50%) et des jeunes (30%), avec une attention particulière portée aux personnes atteintes du VIH/sida et aux personnes handicapées.

Stratégie de ciblage

55. Dans leur ensemble, les projets du portefeuille du FIDA visent à atteindre 594 200 ménages ruraux (environ 2 971 000 personnes)²⁵. Les opérations du FIDA au Mozambique couvrent l'ensemble du pays mais sont concentrées sur un nombre limité de districts, sélectionnés en fonction des priorités et des plans de développement des pouvoirs publics. Les zones prioritaires sont celles présentant des niveaux élevés de pauvreté et de malnutrition, des risques élevés de vulnérabilité face aux aléas climatiques et un potentiel agroécologique propice à des interventions en faveur de l'économie verte et bleue, notamment des couloirs de production et des couloirs alimentaires pour l'exportation de produits excédentaires, dans les provinces du Sud, du Centre et du Nord. Les provinces du Nord feront l'objet d'une attention particulière en raison de la situation de vulnérabilité qu'elles connaissent.
56. Le COSOP doit atteindre les populations les plus touchées par la pauvreté au moyen du programme de reclassement actuellement mis en œuvre dans le cadre du Projet de financement des entreprises rurales, en soutenant les personnes jusqu'à ce qu'elles soient solvables et puissent être intégrées dans le système de financement rural général.

IV. Interventions du FIDA

A. Instruments de financement

57. Trois projets d'investissement sont actuellement en cours au Mozambique: le Projet de financement des entreprises rurales (REFP – **objectifs stratégiques 2 et 3**), le Projet de promotion des petites exploitations d'aquaculture (PRODAPE – **objectifs stratégiques 1, 2 et 3**), qui prennent fin tous deux en 2026, et le Programme de développement de filières agroalimentaires inclusives (PROCAVA – **objectifs stratégiques 1, 2 et 3**), qui se termine en 2030. Le présent COSOP comprend les projets suivants: i) le Projet de développement de la résilience de la pêche artisanale (PROPEIXE - **objectifs stratégiques 1, 2 et 3**) et ii) un financement

²⁴ Population jeune au Mozambique (de 18 à 35 ans)

²⁵ Ces objectifs correspondent aux projets d'investissement en cours ou dans la réserve. 255 840 ménages bénéficieront des projets PROCAVA, PRODAPE et REFP, et du reste des investissements encore en cours de conception (PROPEIXE), y compris le financement additionnel escompté de la part de la Banque africaine de développement en faveur de PROCAVA .

additionnel du PROCAVA, tous deux au titre de FIDA12, ainsi que iii) la phase II du PROCAVA, au titre de FIDA13²⁶.

58. Après l’approbation de la première opération non souveraine (Futuro Mcb) au Mozambique, l’équipe de pays, en collaboration avec le Département de la stratégie et des savoirs et l’Unité de la collaboration avec le secteur privé, continuera à recenser les nouvelles opérations non souveraines à financer. Les opérations non souveraines sont liées au portefeuille souverain et le complètent. Des dons supplémentaires seront mobilisés pour répondre à la demande continue.

Tableau 3

Portefeuille de prêts du FIDA pour la période couverte par le COSOP (2023-2027)

<i>Projet</i>	<i>Objectif</i>
REFP (en cours) 2018-2026	Accroître la disponibilité, l'accès et l'utilisation de produits et services financiers adaptés (adéquat, abordables et innovant).
PRODAPE (en cours) 2020-2026	Augmenter la production, la consommation, les ventes et les revenus des ménages ruraux dans la filière aquacole.
PROCAVA (en cours) 2020-2030	Augmenter les revenus nets des filières agroalimentaires résilientes face aux aléas climatiques.
PROCAVA Financement additionnel (2023) et phase II (à partir de 2026)	
PROPEIXE (réserve de FIDA12) Phase 1. 2024-2031	Renforcer la résilience des communautés face aux changements climatiques par le développement de la filière de la pêche.
Futuro Mcb NSO	Accès durable et abordable aux services financiers

B. Contribution à l’élaboration des politiques au niveau du pays

59. Guidée par les objectifs stratégiques, la contribution à l’élaboration des politiques au niveau du pays sera principalement couverte par les projets d’investissement. L’accent sera mis sur le soutien à l’élaboration de politiques, de stratégies et de cadres réglementaires pour: i) créer un environnement favorable à la finance rurale; ii) améliorer le processus de production et de commercialisation des petits exploitants en sécurisant les régimes fonciers, le classement du bétail et les règles de commercialisation; iii) permettre l’enregistrement des organisations paysannes (associations d’usagers de l’eau, coopératives, etc.); iv) permettre une coordination intergouvernementale des interventions de développement rural, à tous les niveaux. Un soutien sera également apporté aux décideurs politiques dans les domaines de l’aquaculture résiliente face aux changements climatiques et de l’analyse des politiques. L’accent sera mis sur la nouvelle politique foncière, la Stratégie pour l’économie bleue et la nouvelle Stratégie nationale d’inclusion financière.

C. Renforcement des institutions

60. Sur demande, le FIDA facilitera le renforcement des capacités des organismes publics partenaires. Au titre de la contribution à l’élaboration des politiques au niveau du pays, un soutien sera alors apporté au Ministère de l’économie et des finances pour mieux coordonner le programme de développement, au Ministère de l’aménagement du territoire et de l’environnement pour renforcer le système

²⁶ Le financement de FIDA13 sera fixé sous réserve des procédures internes et de l’approbation ultérieure par le Conseil d’administration fin 2024.

national d'alerte précoce en cas de catastrophe et les systèmes d'information climatique et météorologique, et à la Direction nationale de l'aménagement du territoire pour améliorer le système d'enregistrement des terres rurales et sécuriser la propriété foncière, en particulier pour les femmes. L'accent sera mis sur le renforcement des capacités des organisations paysannes, des conseils communautaires de pêche, des coopératives et des associations d'épargne et de crédit, essentiels à la pérennité des investissements.

D. Innovations

61. Les solutions innovantes proposées sont les suivantes: outils géospatiaux destinés au ciblage et au suivi-évaluation, systèmes après récolte respectueux de l'environnement, technologies climato-compatibles et outils numériques pour la tenue de dossiers, accès au financement (transfert d'argent par téléphone mobile) et services de commercialisation et de conseil.

E. Gestion des savoirs

62. Le COSOP s'appuie sur la gestion des savoirs pour faciliter l'apprentissage et le partage, éclairer les investissements et accroître la visibilité du programme de pays, notamment en documentant et diffusant les bonnes pratiques, les enseignements tirés sur les sujets essentiels et les innovations liées aux initiatives conduites au titre du changement d'échelle ou de la contribution à l'élaboration des politiques au niveau du pays. Les projets feront appel à des outils numériques pour faciliter la participation des bénéficiaires aux activités de production de connaissances. Les principaux livrables attendus sont les fiches d'information thématiques du pays, les brochures présentant des récits recueillis sur le terrain, la publication des politiques et des stratégies élaborées au titre du programme de pays et la diffusion des résultats des divers projets d'investissement et dons sur différentes plateformes.

F. Technologies de l'information et de la communication au service du développement

63. Le programme de pays continuera à tirer parti des technologies de l'information et de la communication pour renforcer l'efficacité et l'effet des interventions de développement, en s'appuyant sur la vulgarisation en ligne, les systèmes d'alerte précoce, les applications de liaison avec le marché, les systèmes de communication en ligne, l'agriculture de précision, etc.

G. Partenariats stratégiques et coopération Sud-Sud et triangulaire

64. La stratégie de partenariat du COSOP (appendice VII) s'articule autour des points suivants: i) éclairer les politiques et permettre un développement coordonné, dirigé par les pays; ii) mobiliser des ressources financières avec les institutions financières internationales, les partenaires bilatéraux et les fonds pour le climat et l'environnement; iii) produire des savoirs et innover avec les partenaires de la coopération Sud-Sud; iv) atténuer l'impact socio-économique de l'insurrection; v) accroître la visibilité en renforçant la mobilisation et la communication dans le pays.

Pouvoirs publics et société civile

65. Le FIDA continuera à travailler en étroite collaboration avec les organismes publics compétents aux niveaux national et provincial pour soutenir la mise en œuvre du COSOP. Les projets du FIDA continueront à mobiliser les organisations de la société civile, y compris un certain nombre d'institutions à assise communautaire.

Partenaires de développement (dont les organismes des Nations Unies, les institutions financières internationales et les organisations non gouvernementales)

66. Engagé dans la coopération pour le développement, le FIDA collaborera étroitement avec les agences de l'ONU établies à Rome, d'autres organismes des Nations Unies (l'Organisation internationale du Travail, l'Organisation des Nations Unies pour le développement industriel), des institutions financières internationales (Banque mondiale, Banque africaine de développement) et d'autres entités (telles que l'Alliance pour une révolution verte en Afrique, l'Union européenne, le Ministère des affaires étrangères, du Commonwealth et du développement, l'Agence des États-Unis pour le développement international, la Norvège, l'Agence japonaise de coopération internationale, le Consortium des centres internationaux de recherche agricole : le Centre international de la pomme de terre, l'Institut international de recherche sur l'élevage, l'Alliance mondiale pour l'amélioration de la nutrition, *Observatório do Meio Rural* et l'Université Eduardo Mondlane).
67. La coordination entre les divers organismes de développement opérant au Mozambique doit être renforcée, une tâche que le FIDA s'engage à assumer au moyen de plateformes telles que les partenaires de développement et de coopération, le groupe de donateurs sur l'agriculture et le développement rural, le groupe de travail sur l'économie bleue et le forum des partenaires pour la nutrition.

Secteur privé

68. Pour stimuler la participation des entreprises à l'économie rurale, les projets du COSOP continueront à mobiliser le secteur privé conformément à des modèles de partenariat public-privé-producteurs pérennes, différents acteurs étant impliqués (Confédération des associations économiques du Mozambique, ONG et pouvoirs publics).

Coopération Sud-Sud et triangulaire

69. Les initiatives des partenaires de la coopération Sud-Sud bénéficieront d'un transfert de technologies, d'un renforcement de capacités et d'un échange d'enseignements tirés avec les pays de la région ou extérieurs à celle-ci. Les principaux domaines concernés sont la gestion des risques climatiques et des ressources naturelles, l'économie bleue, le renforcement des capacités institutionnelles, la mobilisation du secteur privé et la collaboration avec les organisations paysannes (voir l'appendice VII).

V. Exécution du COSOP

A. Volume et sources des investissements

70. Comme indiqué dans le Système de projets d'investissement et de dons, le financement du COSOP 2023-2027 s'étendra sur deux cycles du Système d'allocation fondé sur la performance, pour un total de 49 millions USD réparti sur FIDA12 (2022-2024) et FIDA13 (2025-2027). Face au risque croissant de surendettement, les conditions de financement pour le Mozambique ont été mises à jour: elles sont passées à « particulièrement concessionnelles » au titre du Cadre pour la soutenabilité de la dette, ce qui permet au pays de recevoir une part importante du soutien financier sous forme de dons en 2023.

Tableau 4

Projets en cours ou prévus: financements du FIDA et cofinancements
(en millions d'USD)

Projet	Financement du FIDA	Source (Système d'allocation basé sur la performance)	Cofinancement		Ratio de cofinancement
			national	international	
En cours					
REFP	66,1	SAFP (FIDA10)	10,3		
PROCAVA	42	SAFP (FIDA11)	10,3	20	
PRODAPE	43	SAFP (FIDA11)	6		
Planifié					
PROPEIXE	29,3	SAFP (FIDA12)	5	20	1:0,851
PROCAVA financement additionnel	20	SAFP (FIDA12)	À déterminer	À déterminer	
PROCAVA Phase II	À déterminer	SAFP (FIDA13)	À déterminer	À déterminer	
Total	200,4		31,6	40	1:0,49

Le financement proposé au titre de FIDA13 sera fixé sous réserve des procédures internes et de l'approbation ultérieure par le Conseil d'administration.

B. Ressources à l'appui d'autres activités

71. Des financements complémentaires au portefeuille de prêts seront recherchés auprès du Fonds pour l'environnement mondial, du Fonds vert pour le climat et du Programme élargi d'adaptation de l'agriculture paysanne (ASAP+). Le Mozambique a également été intégré au projet ASAP+ conduit par le FIDA et le Fonds vert pour le climat, en phase d'élaboration de propositions.
72. Un cofinancement additionnel ou un financement parallèle est attendu de la part d'autres partenaires de développement tels que le Fonds de l'OPEP pour le développement international, l'Union européenne, la Banque africaine de développement, la Banque mondiale, le Canada et la Norvège, et des ressources additionnelles devraient être mobilisées au titre des opérations non souveraines pour une implication du secteur privé.
73. **Ressources allouées aux activités hors prêts.** Les activités hors prêts du FIDA seront principalement axées sur la contribution à l'élaboration des politiques au niveau national, la gestion des savoirs et le partenariat de coopération Sud-Sud et triangulaire. Ces initiatives seront soutenues par les dons accordés par le pays ou la région, en cours ou prévus.

C. Transparence

74. La communication des objectifs à toutes les parties prenantes ainsi qu'une large diffusion des rapports de supervision et d'achèvement sont un gage de transparence pour le projet. Ces rapports comprendront des informations concernant l'avancement de l'exécution et les dépenses, des rapports d'audit ainsi que des états financiers. Ces informations, ainsi que les Directives relatives à la passation des marchés dans le cadre des projets du FIDA et les mécanismes de règlement des doléances, seront disponibles sur les sites web des projets.

D. Gestion du programme de pays

75. Les projets financés par des prêts du FIDA seront mis en œuvre par des unités de gestion de projet désignées, composées de fonctionnaires recrutés par voie de concours dans les ministères des partenaires de mise en œuvre. La coordination et la supervision générales des investissements seront assurées par le Ministère de l'économie et des finances. Le portefeuille du pays sera géré par le bureau de pays du FIDA à Maputo. Dans le cadre du processus de décentralisation du FIDA en

cours, le directeur de pays est désormais détaché; ainsi, au Mozambique, ce poste est basé au bureau de pays.

E. Suivi-évaluation

76. Un système de suivi-évaluation du portefeuille de pays sera mis en place pour suivre l'exécution du COSOP. Les cadres logiques et les indicateurs de performance des projets seront harmonisés avec le cadre de gestion des résultats du COSOP. Une formation au suivi-évaluation sera dispensée aux responsables de projet et une assistance technique sera fournie pour améliorer les instruments et les capacités de suivi des ministères. Il sera fait usage d'outils géospatiaux et de services numériques.

VI. Participation du groupe cible

77. **Participation des bénéficiaires.** Les processus de participation sollicitant l'avis des bénéficiaires potentiels continueront d'avoir la priorité au stade de la conception mais aussi lors de la mise au point de systèmes de suivi-évaluation et d'indicateurs de performance. Les avis des bénéficiaires seront enregistrés au cours de missions de supervision, leur participation étant sollicitée aussi lors de la conception des activités afférentes au développement de la communauté, l'objectif étant de définir les priorités, les cibles et les compétences d'exécution. Le dialogue se poursuivra périodiquement par des enquêtes de satisfaction.
78. Des **mécanisme de réponse aux doléances** seront aussi créés dans tous les nouveaux projets du FIDA, ce qui comprend des mécanismes de dépôt de plainte et des voies bien délimitées par lesquelles les parties prenantes pourront réagir.

VII. Gestion des risques

Tableau 5
Risques et mesures d'atténuation

<i>Risques</i>	<i>Niveau de risque</i>	<i>Mesures d'atténuation</i>
Politique et gouvernance Insurrection en cours	Élevé	Renforcer les capacités institutionnelles à tous les niveaux et renforcer la gouvernance. Mobiliser, soutenir et renforcer le Bureau d'audit national pour qu'il effectue un audit régulier des investissements du FIDA. Faciliter l'utilisation des systèmes nationaux, en particulier le système de gestion financière du gouvernement.
Risques macroéconomiques	Élevé	Soutenir une augmentation de la production/productivité et construire des filières durables et axées sur le marché.
Stratégies et politiques sectorielles non coordonnées ou inexistantes	Faible	Contribution permanente à la concertation sur les politiques au moyen de divers forums et par la conception de stratégies et de politiques sectorielles, en particulier en matière de résilience face aux changements climatiques et d'adaptation.
Capacités institutionnelles	Modéré	Renforcer les capacités et soutien institutionnel à destination des institutions publiques, notamment pour la mise en place d'un environnement réglementaire et politique favorable aux populations pauvres.
Portefeuille	Modéré	Renforcer les capacités en matière de gestion de projet, de Procédures d'évaluation sociale, environnementale et climatique (PESEC), de gestion financière, de passation de marchés et de suivi-évaluation. Accroître la présence du FIDA dans le pays.
Risque fiduciaire – gestion financière	Modéré	Assurer une formation régulière et un renforcement des capacités en matière de gestion financière à destination des instances publiques et des unités de gestion de projet. Veiller à ce que l'usage des rapports financiers intermédiaires et la mise à jour des manuels d'exécution de projet respectent l'accord de financement et les manuels de gestion financière.

Passation des marchés	Élevé	<p>Appliquer une planification rigoureuse et une approche stratégique de la passation des marchés, et pratiquer une gestion des contrats fondée sur les risques.</p> <p>Assurer une formation régulière et un renforcement des capacités à destination des instances publiques et des unités de gestion de projet en vue de professionnaliser la passation des marchés. Promouvoir la formation par le programme BuildPROC du FIDA.</p> <p>Examiner régulièrement les dossiers du Système de suivi des avis de non-objection, suivre les mises à jour de l'outil de suivi des contrats et faire usage du système intégré de passation des marchés de bout en bout du FIDA.</p> <p>Appliquer à toute passation de marché les Directives pour la passation des marchés relatifs aux projets et le Guide pratique de passation des marchés du FIDA.</p>
Environnement et climat	Élevé	<p>Promouvoir une généralisation des mesures d'adaptation – agriculture climato-compatible, infrastructures résilientes.</p> <p>Améliorer les systèmes d'information climatique et météorologique.</p> <p>Dans le budget des projets, prévoir un plan de secours en cas d'aléas climatiques garant d'une réaction rapide aux situations d'urgence récurrentes.</p>
Risques sociaux	Faible	<p>Ciblage des populations vulnérables, des femmes, des jeunes et les personnes handicapées.</p>
Prestataires de services financiers privés pratiquant une stratégie de limitation de l'inclusion financière.	Élevé	<p>Appliquant la Stratégie de développement du secteur financier du Mozambique 2013-2022, les instances publiques, la banque centrale et d'autres parties prenantes mettent en place un cadre réglementaire et institutionnel propice.</p>
Régime foncier	Modéré	<p>Poursuivre le processus participatif d'enregistrement et de certification des terres.</p>
Promotion d'un développement rural inclusif	Modéré	<p>Stratégies de ciblage spécifiques aux différents groupes cibles; mobilisation précoce, participation active; quotas: femmes (50%) et jeunes (30%).</p>
Gestion de projet – retards de démarrage	Élevé	<p>À l'avenir, il est recommandé que les interventions respectent les points suivants: i) recours aux instruments du dispositif pour un démarrage plus rapide de l'exécution des projets, ii) mise à disposition de fonds de démarrage, financement rétroactif, etc.</p>
Risque global	Modéré	

Results management framework

Country strategy alignment	Related UNSDCF/SDG outcomes	IFAD Strategic Objectives	Key COSOP results			
			COSOP goal is to contribute to the transformation of the rural economy of Mozambique by enlarging the nutrition and agriculture linkages with broader focus on value chains and food systems, improving of the productivity and food security of rural households, by strengthening their resilience and capacity to adapt to environmental and climatic shocks.			
			Strategic objectives	Investments and non-financial activities for the COSOP period	Outcome indicators	Output indicators
<p>Agenda 2025 and National Development Strategy 2015-2035 (ENDE): focus on improving the living conditions of the population through structural transformation of the economy and diversification of the productive base.</p>						
<p><i>Strategic Plan for the Development of the Agricultural Sector (PEDSA 2022-2031): provides guidelines for strategic action and priority investments designed to transform the agrarian sector, namely: (i) increased production, productivity and competitiveness with engagement of the private sector; (ii) sustainable management of natural resources; (iii) improved business environment; and (iv) institutional strengthening and development.</i></p>	<p>Sustainable Development Goals: SGD 1; SDG 2; SDG 5; SDG 8; SDG 10; SDG 13; SDG 14 SDG 15</p> <p>UNSDCF (2022-2026):</p> <p>Strategic priority area 3: Climate resilience and sustainable use of natural resources</p>	<p>SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities</p>	<p>SO1: Sustainable natural resource use management by the rural poor, to increase resilience to environmental shocks and the impacts of CC.</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> • Ongoing PROCAVA PRODAPE <p>Indicative BCEDP AFRDP/PROPEIXE</p> <p>Non-lending/non-project activities</p> <ul style="list-style-type: none"> • CLPE • Partnerships <p>WWF FAO WB AFD EU</p>	<ul style="list-style-type: none"> • CI 1.2.1: Households reporting improved access to land, forests, water or water bodies for production purposes. Target: 60% • CI 1.2.9: Households with improved Knowledge Attitudes and Practices (KAP) . Target: 356,520 • CI 3.2.2: Households reporting adoption of environmentally sustainable and climate resilient technologies and practices. Target: 135.400 	<ul style="list-style-type: none"> • CI 3.1.2: Persons provided with climate information services . Target 74.800 • CI 1.1.1: Beneficiaries gaining increased secure access to land.– Target 20.300 Households

				<ul style="list-style-type: none"> • SSTC • Knowledge management 	<ul style="list-style-type: none"> • CI 3.2.1: Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered.. Target – tCO2e/ha: 9.1 • Rural Poor affirming having greater Resilience and Mitigation to Climate Change – Target 79.200 <p>UNSDCF Performance Indicators</p> <ul style="list-style-type: none"> • 3.1 Direct economic loss attributed to disasters in relation to global gross domestic product (GDP). Target: Reduced in 5% • 3.2 Degree of integrated water resources management; Target: 30% • 3.3 Coverage of protected areas in relation to marine areas. • 3.5 Percentage of degraded land over total available land: Trends in Land Cover, Land Productivity and Carbon Stocks; and 3.7 Number of people (men and women) who have benefitted from implementation of actions from Adaptation 	
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					<p>and Resilience Plans. Target: 40%</p> <ul style="list-style-type: none"> 3.6 Number of land user rights (DUATs) issued for individuals (cumulative). Target: 150.000 	
<p>Aquaculture Development Strategy (EDA) 2020-2030: aims to achieve greater production and productivity in fish farming, reduce pressure on capture fisheries and contribute to food and nutritional security, through promotion of public-private-community partnerships within clusters and aquaparks.</p> <p>Financial Sector Development Strategy (FSDS) 2013-2022 and the Financial Inclusion Strategy (NFIS) 2016-22: stating that financial inclusion is to be achieved through developments across three main pillars: (a) access and usage of financial services; (b) strengthening financial infrastructure; and (c) consumer protection and financial literacy.</p>	<p>Sustainable Development Goals: SGD 1; SDG 2; SDG 5; SDG 8; SDG 10; SDG 13; SDG 14 SDG 15</p> <p>UNSDCF (2022-2026): Strategic priority area 1: Human Development: Outcome 1: By 2026, more people, particularly the most vulnerable and marginalized, have a more equitable access to and utilization of quality, inclusive, resilient, gender-and shock-responsive social protection and essential social services.</p> <p>UNSDCF (2022-2026): Strategic priority area 2: Economic diversification and sustainable livelihoods</p>	<p>SO1: Increase poor rural people's productive capacities</p> <p>SO2: Increase poor rural people's benefits from market participation</p>	<p>SO2: Strengthening of nutrition sensitive VCs and improved access to financial services and private sector</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> Ongoing PROCAVA PRODAPE REFP Indicative PROPEIXE <p>Non-lending/non-project activities</p> <ul style="list-style-type: none"> CLPE Partnerships <p>FAO WFP ILO AGRA JICA NORWAY CANADA WB AFD EU OFID AfDB SSTC</p>	<ul style="list-style-type: none"> CI 1.2.2 Households reporting adoption of new/improved inputs, technologies or practices – Target 30.464 % of producers reporting increased volume of farm and fishery related outputs – Target 90% CI 2.2.6 Households reporting improved physical access to markets, processing and storage facilities) – Target 194.940 CI 2.2.3. Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities Target 50 	<ul style="list-style-type: none"> Outreach 1: Persons receiving services promoted or supported by the project – Target 594.200 Outreach 1a: Corresponding number of households reached. Target: 594.200 Outreach 1b. Estimated corresponding number of total household members. Target: 2.971.000 CI 1.1.4. Persons trained in production practices and/or technologies Target 108.500 CI 1.1.8. Households provided with targeted support to improve their nutrition. Target 18.545. CI 2.1.6: Market, processing or storage facilities constructed or rehabilitated – Target 30 Number of rural young people engaged in income generating activities (in/off-farm) – Target 20.000 Number of rural women supported in business development services (BDS) Target 19.500 CI 1.1.5: Persons in rural areas accessing financial services (savings, credit, insurance, remittances, etc). Target 287.700 CI 1.1.7: Persons in rural areas trained in financial literacy and/or use of financial products and services – Target 100.000

				<ul style="list-style-type: none"> • Knowledge management 	<ul style="list-style-type: none"> • CI 1.2.8. Women reporting minimum dietary diversity. Target: 50% • Rural Poor reporting improved Food Security and Nutrition. Target 15% more in the economic status • CI 1.2.5: Households reporting using rural financial services – Target 57.540 • CI 2.2.2 Supported rural enterprises reporting an increase in profit. Target 50 <p>UNSDCF Performance Indicators</p> <ul style="list-style-type: none"> • 1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES). • 1.9 Proportion of population using safely managed drinking water services. Target: 30% 	<ul style="list-style-type: none"> • CI 2.1.1: Rural enterprises accessing business development services – Target 63.370
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					<ul style="list-style-type: none"> 2.1 Proportion of population living below the national poverty line (less than MZN26,7 per day), by sex and age. Target: 20% 2.2 Average income of small-scale food producers, by sex. Target: USD 300 	
<p>National Development Strategy 2015-2035 (ENDE): focus on improving the living conditions of the population through structural transformation of the economy and diversification of the productive base.</p>	<p>Sustainable Development Goals: SGD 1; SGD 2; SGD 5; SGD 8; SGD 10; SGD 13</p> <p>UNSDCF (2022-2026): Strategic priority area 4: Peacebuilding, human rights and inclusive governance – (Outcome 4: By 2026, more people, especially the most vulnerable and marginalized, are protected, enjoy their rights, and benefit from a secure, peaceful environment, enabled by inclusive governance systems, and independent and</p>		<p>SO3: Institutional strengthening of Government structures at national, regional, and local levels through policy dialogue, sector coordination, and reinforcement of national accountability systems</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> Ongoing PROCAVA PRODAPE REFP Indicative AFRDP/PROPEIXE BCEDP <p>Non-lending/non-project activities</p> <ul style="list-style-type: none"> CLPE Partnerships SSTC Knowledge management 	<ul style="list-style-type: none"> Policy 1. Policy-relevant knowledge products completed; Target: 5; Policy 2. Functioning multi-stakeholder platforms supported; Target: 10; Policy 3. Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment; % of projects not in the APP and PPP classification category. Target 100% NAR Reduced project start-up period/delays. Target – 	<p>Number of Government staff certified on PRIME, CLEAR, New Procurement E2E; FMD corporate certifications; - Target 40</p> <p>Establishment of Country Portfolio Review Meeting. Target – 4 Annually</p>

	<p>accountable institutions abiding by the rule of law).</p>				<p>100% new projects using FIPS</p> <ul style="list-style-type: none"> • Improved the Government e-SISTAFE financial module – Target 100% projects reporting from e-SISTAFE • SF 2.1 . Households satisfied with project-supported services. Target 80% (measured through a perception survey) • SF2.2. Households reporting they can influence decision-making of local authorities and project-supported service providers. Target 80% (measured against a baseline perception survey) 	
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Key files

Key file 1: Rural Poverty and agricultural sector issues (refers to chapter I C)

Priority Areas	Affected Groups	Major Issues	Action Needed
Small producers' productivity and profitability	Smallholders in agriculture and aquaculture Small-scale and artisanal fishers	<ul style="list-style-type: none"> • Food insecurity and malnutrition • Low level of use of improved inputs / tools / equipment in agriculture and fisheries • Weak performance of fish farming vis-à-vis the limited scope to expand production from capture fisheries • Poor access to knowledge, extension and other support services • Difficulty in accessing markets and poor market linkages • Limited access to credit and other financial services • High post-harvest losses due to poor harvesting, handling and preservation • Low level of resilience to climate shocks 	<ul style="list-style-type: none"> • Promote irrigation (including through solar powered schemes) to reduce dependence on rain-fed agriculture • Assist implementation of measures for accelerated growth of fish farming • Expand access to financial products that enable producers to invest in modern equipment, inputs and technologies • Support improved access to know-how and support services through continued reform of public extension services and engagement of private sector • Support improved access to markets, through dissemination of market related information and development of market-related infrastructures • Assist investments in preservation, storage, agro-processing and value addition • Promote resilient production and marketing infrastructure and practices
Input supply, marketing and trading	Smallholders in agriculture and aquaculture Small-scale and artisanal fishers Traders Agribusiness	<ul style="list-style-type: none"> • Poor access to inputs due to remoteness, limited competition and low crop / fish catch volumes and value • Under-developed supporting infrastructure • Market information missing or not easily accessible to small producers and other value chain participants • Local transport for produce not available or excessively expensive • Product quality often below market standards, especially internationally 	<ul style="list-style-type: none"> • Improve rural infrastructure, including all-weather tertiary roads and electricity networks • Promote partnerships with private sector players to expand marketing infrastructure facilities • Promote linkages between farmer groups / associations and out-growers and other potential buyers; encourage fair competition between traders • Support provincial and district market information centres, radio broadcasts and other locally based sources of information • Develop financial products to support investments in rural transport capacity • Support quality improvements and product development

<p>Environment, climate change and natural resource management issues</p>	<p>Crop and fish farming, livestock and fishing communities</p> <p>Extension and technical officers</p> <p>National and local governments</p>	<ul style="list-style-type: none"> • Vulnerability to extreme weather events e.g., drought, floods and cyclones • Degradation of water and land resources • Environmental pollution • Pests and disease outbreaks • Inadequate early warning systems, weather and climate information • Low environment and climate risks awareness • Insufficient extension services and technical capacity • Low capacity to carry out environmental and social assessments and implement proper safeguard • Lack of resources to respond adequately to climate shocks 	<ul style="list-style-type: none"> • Promote climate smart land, water and other natural resources utilization and management practices • Assist rehabilitation of degraded land and water resources • Support community-based management schemes and co-management initiatives • Monitor and control environmental pollution • Promote integrated pest and disease management approaches • Invest in early warning systems, weather and climate information dissemination • Promote awareness creation on environment and climate risks and their mitigation at national and local levels • Strengthen the capacity of technical staff and extension workers in climate smart technologies and practices • Develop and implement sound plans to prevent and mitigate against environmental and social risks • Provide resources for anticipating and mitigating the impact of climate changes
<p>Policy, legal and institutional framework in support of agriculture and rural development</p>	<p>Crop and fish farming, livestock and fishing communities</p> <p>National and local governments</p> <p>Development partners</p>	<ul style="list-style-type: none"> • Some key sectoral policies, strategies and plan require redesign or development • Limited access to land and other productive resources by disadvantaged groups • Sub-optimum levels of coordination of rural development initiatives • Lack of harmonization and/or overlap of rural development interventions • Uncertainty in roles assigned to provincial government bodies lead to some duplication of effort • Key regulatory provisions in support to smallholder producers still missing 	<ul style="list-style-type: none"> • Improve policy dialogue national and local levels; • Assist Government to design or update policies, strategies and plans as well as the related implementation processes • Support implementation of campaign such as 'Terra Segura' and attribution of community user's rights in artisanal fisheries • Promote existing and/or new platforms for improved institutional coordination at all levels of implementation • Support implementation of institutional reforms at central, provincial and district levels, including those regarding decentralization • Support development of regulatory and guiding instruments for increased production and productivity of smallholders • Support government to structure intervention from humanitarian aid through emergency response and progress to market driven interventions

		<ul style="list-style-type: none"> Lack of structured processes in dealing with shocks and emergency response situations 	
<p>Gender, youth and other disadvantaged groups</p>	<p>Rural women and women headed households</p> <p>Young people</p> <p>People Living with Disabilities</p>	<ul style="list-style-type: none"> Higher vulnerability levels of women, youth and other disadvantaged groups Lack of clear targeting strategies to reach out to women, youth and other disadvantages groups Inadequate representation of women and their interests in producers' groups and management committees Lower access to education, functional literacy and vocational training opportunities Limited opportunities for livelihood diversification and profitable activities Traditionally accepted norms constrain women's mobility and access / ownership of means of production Lack of productive assets 	<ul style="list-style-type: none"> Promote community awareness creation on issues related to gender inequality and social exclusion Mainstream gender empowerment using the Gender Action Learning System (GALs) methodology Devise and implement targeting strategies to reach out to women, youth and other disadvantages groups; set clear targets for their inclusion in IFAD supported initiatives Assist women to ascend to leadership positions and representation of their interests in rural organisations Provide functional literacy and vocational training including marketing / business skills development Promote livelihoods diversification by improving women's and youth participation in trading / processing as well as in off-farm income generation opportunities Assist women to gain and maintain access to productive resources Develop inclusive approaches to improve access to financial services by women and young people

Rural enterprise financing	<p>Smallholders crops and fish farmers</p> <p>Small-scale and artisanal fishers</p> <p>Traders</p> <p>Agribusiness</p>	<ul style="list-style-type: none"> • Lack of harmonised policy and fragmentation of donor action in rural finance sector • Limited availability, accessibility and risk of production-oriented credit and other products • Rural financial services problematical, high cost • Limited tradition / development of savings / credit culture • Local microfinance industry facing serious risks of bankruptcy • Limited development of community-based financial institutions 	<ul style="list-style-type: none"> • Assist setting of a strategic policy / legal framework and support innovative approaches in rural finance • Facilitate greater outreach of banks / financial intermediaries and support capacity building in rural enterprise financing • In conjunction with improved farming and fishing practices / technology, promote improved access to credit and other products • Incorporate financial awareness / control principles in farmer / fishers group training • Support development of community-based financial institutions through graduation and institutional development of saving and credit groups
Producers' organisations	<p>Smallholders in agriculture and aquaculture</p> <p>Small-scale and artisanal fishers</p>	<ul style="list-style-type: none"> • Low levels of organization of smallholder producers • Limited number of performing farmers' / fishers' organisations able to provide sustainable services to members • Low levels of formalisation and upper tiers organizations • Limited farmer organisation and voice in local / district governance • Lack of linkages between central and local levels, an imprecise policy agenda and low capacities to develop policy options 	<ul style="list-style-type: none"> • Assist initiatives aiming at better organization of producers • Promote institutional building and develop capacities to provide services to members • Promote participation of producer's organisations in consultation platforms at local/national level • Assist producers' organizations to engage in policy dialogue and develop their own (policy) positions
Priority Areas	Affected Group	Major Issues	Actions Needed
Food security for 2.8 million food insecure rural people	Smallholder and landless rural population	<ul style="list-style-type: none"> • Production system remains vulnerable to shocks (climate and price). • Small scale production with limited access to improved inputs, technology and supporting services. • Low soil fertility. • Scarcity and volatility of water supply. 	<ul style="list-style-type: none"> • Foster production systems, through improve technology and organization. • Support rain-fed production under good agricultural practices, with small scale irrigation. • Increase access to supporting services.

Priority Areas	Affected Group	Major Issues	Actions Needed
Access to inputs	Rural population	<ul style="list-style-type: none"> Limited access to quality inputs at affordable rate. 	<ul style="list-style-type: none"> Improve extension services, advising on type and source of inputs. Work with agro-dealers to tailor products and payments to meet target group's needs. Support appropriate sector regulations.
Access to output markets for produce	Small producer	<ul style="list-style-type: none"> Lack of access to markets under remunerative conditions (e.g. clear pricing, quality requirements). Coordination along the commodity value chains weak. Absence of pro-active private sector (besides for Tobacco). Relatively weak degree of organization of farmers. 	<ul style="list-style-type: none"> Increase coordination along value chains. Strengthen producers organizations. Partner with private sector on in- and output side and oversee that partnership agreements are beneficial for small producers (sustainable). Support appropriate sector regulations.
Climate resilient rural road and irrigation infrastructure	Rural population	<ul style="list-style-type: none"> Roads and bridges damaged by severe weather events, rendering access to/from rural areas more difficult. Irrigation schemes damaged by weather events and sedimentation 	<ul style="list-style-type: none"> Investments in and appropriate, cost-efficient maintenance of rural roads/bridge. Investment in small/medium scale irrigation schemes. User-based management and maintenance of irrigation schemes.
Access to secure saving	Rural population	<ul style="list-style-type: none"> Absence of deposit-taking rural MFIs (only 2 of the MFIs take deposits). 	<ul style="list-style-type: none"> Create market incentive for MFIs to establish deposit-taking business line.
Sustainable extension service	Rural population and SMEs	<ul style="list-style-type: none"> Lack of appropriate service provision for small producers/SMEs, smallholders and other VC actors. 	<ul style="list-style-type: none"> Establish sustainable model of private sector service provision to address aforementioned issue.

Key file 2: Target group identification. Priority issues and potential response (refers to chapter I-C, III-C)

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
Category A: subsistence and smallholder farmers, and traditional fishermen (60-70%);	<ul style="list-style-type: none"> • Food insecure households • Few assets • Negligible access to micro-finance • Limited extension support • Operating at a subsistence level. • Highly vulnerable to endemic climatic and environmental shocks. • Women farmers have minimal access to off-farm income generating activities and are reliant on agricultural production 	<ul style="list-style-type: none"> • Consumption of indigenous food sources • Sale of livestock • Migration to urban areas 	<ul style="list-style-type: none"> • Cultivation of more climate resilient food sources (crops and aquaculture) • Increased biodiversity and ecosystem conservation • Integrated food systems • Technical assistance (production, marketing) • Access to credit • Improved security of land tenure (especially for women) 	<ul style="list-style-type: none"> • Climate smart agricultural practices • Promotion of bio-diversity • Establish integrated food systems. • Rural finance mechanisms • Off-farm income generation opportunities • Dedicated targeting of assistance for women farmers and fishers and youth
Category B: emerging and semi-commercial farmers (20-30%); and	Households with some assets and the potential to increase production and surpluses and to graduate to more commercial forms of farming	<ul style="list-style-type: none"> • Use of savings and sale of assets during periods of hardship 	<ul style="list-style-type: none"> • Enhanced agricultural production and diversification • Access to credit • Access to inputs • Technical assistance (business & production, marketing) • Insurance • Improved access to markets 	<ul style="list-style-type: none"> • Technical support to develop climate smart agricultural practices • Irrigation and soil- and water conservation • Value chain development • Access to rural finance • Training in business development and commercial farming systems
Category C: farmer/community-based organisations, medium and small-scale enterprises, and agri-businesses (10-20%)	Established small-scale and commercial farming and fisheries enterprises with the potential to increase production and grow the rural economy.	Limited or no further investment in the sector.	<ul style="list-style-type: none"> • Changes in marketing regulations • Greater access to finance • Access to markets • Improved rural infrastructure (roads, energy, storage facilities) 	<ul style="list-style-type: none"> • Promote private sector service provision • Linkages to national and international markets • Engagement in national policy dialogues.

- Support for aggregation with small scale farmers.

Key file 3: Organization matrix (strength, weaknesses, opportunities and threats analysis) (refers to chapter I-C, III-B, IV-B, C, G)

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Enablers				
Ministry of Agriculture and Rural Development (MADER)	<ul style="list-style-type: none"> • Strong presence throughout the country. • In-house expertise present. • Mandated to oversee agriculture interventions in the country. • Has an environment and safeguards cabinet. • Has a strong knowledge of land tenure • It is a key partner to IFAD as PROCAVA and REFP are under MDER • It has key knowledge of agricultural value chain development, and the relevance of this for land tenure • Government current priority to strengthening the extension network 	<ul style="list-style-type: none"> • Limited extension services on the ground. • Limited resources vis a vis expected outputs. • Staff time required by the project may slow down other activities. • It is a big entity, and now has to coordinate activities with MITADER in regard to land tenure security 	<ul style="list-style-type: none"> • synergies with other donor funded programs in the Ministry, particularly the SUSTENTA national programme • In-house expertise in agriculture, extension, irrigation, environment • slow delivery due to limited time and capacity. There is large scope for partnerships, especially in relation to value chain projects, where tailored land tenure interventions are necessary • MADER has better presence at Provincial and District level, and can facilitate the implementation of activities on NRM • Promote associations/union's of farmer groups into farmers' cooperatives • Promote inter-linking markets in value chain • Promote youth, and other marginalised groups involvement in agriculture • Information on agriculture and markets not up-dated 	<ul style="list-style-type: none"> • New extension model being adopted in the country; • IFAD to continue focused on the most vulnerable ground leveraging from other structural investments at higher levels to serve the smallholder groups
Ministry of Sea, Inland Waters and Fisheries (MIMAIP)	<ul style="list-style-type: none"> • Legally mandated to oversee the development of the fisheries, aquaculture sector, and the whole blue economy in partnership with other sectors. • Ministry has departments to deal with specific aspects such as research and planning. 	<ul style="list-style-type: none"> • Limited resources and staffing. • Weak coordination with the environment and agriculture ministries. • Limited expertise in aquaculture across the country. • Not as strong in presence in the inland 	<ul style="list-style-type: none"> • The new Aquaculture Research Centre (CEPAQ) contribute to the aquaculture sector positively. • Aquaculture value chain is still underdeveloped and thus more investments are required, yet government has limited resources. PRODAPE is the first investment to the 	<ul style="list-style-type: none"> • Investment in capacity building is important. • The recent reforms in the sector had negative influence in the extension network with the abolishment of IDEPA Delegations. The new

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
	<ul style="list-style-type: none"> Investments being made to build a research center. In-house qualified expertise present. The ministry is decentralized to a limited extent. Hosts IDEPA (which merged the former INAQUA and IDPPE), currently implementing PRODAPE and will implement the future Artisanal Fisheries project. IDEPA has also previously implemented 5 IFAD projects. Has a strong presence in coastal areas Has prior knowledge of CBNRM initiatives 	<ul style="list-style-type: none"> Little experience in land tenure security for coastal communities 	<p>new Aquaculture Development Strategy (EDA 2020-30)</p> <ul style="list-style-type: none"> IDEPA previous experience managing IFAD supported projects 	<p>delegations will need further support to meet its mandate.</p>
Ministry of Land and Environment (MTA)	<ul style="list-style-type: none"> Has the legal mandate to oversee environment, land and natural resources matters in the country Regulations and process in place to protect land and water resources The climate change, environmental licensing and environmental awareness departments have qualified staff Has a directorate for land administration and territorial planning Already working with other donors in various projects. 	<ul style="list-style-type: none"> Lower presence at local level. -Weak coordination across different departments. -Limited resources and staffing. 	<ul style="list-style-type: none"> Supports adoption of environmental standards and regulations. limited staffing may pose implementation challenges 	<ul style="list-style-type: none"> Need for stronger coordination among relevant departments. Learn from ongoing funded projects. Key into set environmental standards for reviews and approval of projects.
Ministry of Economy and Finance (MEF)	<ul style="list-style-type: none"> Borrower representative and Governor Responsible for budget allocation Committed leadership Positive focus on policy, Macro-economy and Micro-finance Professional human resources Willingness and plan to effect restructuring Responsible for financial sector Experience with IFAD and other donors supported projects 	<ul style="list-style-type: none"> Slow enactment of legislation and policies Some systems and procedures are bureaucratic Coordination of line ministries and donor activities challenging Budget support is compromised by donor need for financial compliance 	<ul style="list-style-type: none"> Good working relationships with DFIs and all bilateral and multilateral donors Ability to prioritise resource allocation and target resources as needed for pro-poor agenda, including donor grant funds Alignment with donor needs for qualification of budget support 	<ul style="list-style-type: none"> Limited implementation involvement (more oversight)

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
	<ul style="list-style-type: none"> • Robust Financial Management System (e-Sistafe), currently being updated for improved reporting requirements' • Leads the development and revision of the National Development Strategy 2015-2035 			
Bank of Mozambique (BoM)	<ul style="list-style-type: none"> • Custodian of monetary policy and strategies • Willing to be involved in developing micro-finance sector • Supervisory and regulatory functions • Leads all Policy and Regulatory Framework for the Rural Finance and Financial Inclusion • Working relationship with Government and commercial banks • Good capacity to regulate overall financial sector • Good networking with other stakeholders in finance sector 	<ul style="list-style-type: none"> • Legislation to supervise and regulate MFIs and financial intermediaries still under very long and slow validation process • Bureaucratic Systems and process 	<ul style="list-style-type: none"> • Develop appropriate microfinance policy, particularly for the development of ASCAs/PCRs groups 	

Key File 4: Strategic partnerships potential (refers to chapter IV-B, G, V-A)

Partnering objective	Partner	Nature of project or justification for partnering	Project/Programme Coverage	Status	Expected results from the partnership
Engaging in policy and influencing development agendas	Development Cooperation Partners	<ul style="list-style-type: none"> Led by the EU and USA, the partnership provides opportunities for enhanced policy engagement and alignment of country programmes, 	<ul style="list-style-type: none"> National and provincial levels, 		Improved policy engagement with key development partners,
	AGRA	<ul style="list-style-type: none"> With the support of AGRA ,focus on the PEDSA and PNISA to improve system level interventions (inclusive markets and trade, sustainable farming linked to IFAD's biodiversity project) and CLPE to strengthen inter-sectoral coordination 	<ul style="list-style-type: none"> National and provincial levels, 		Strengthened inter-sectoral coordination and enhanced policy and state capability in the agric sector in line with the National Investment Plan.
	GIZ/UNCCD/WWF	<ul style="list-style-type: none"> Effective communication and interventions on behaviour change, increased beneficiary acceptance and increased local awareness of development interventions, 	<ul style="list-style-type: none"> National and provincial levels, 		Policy framework and dialogue to manage the interface between natural resources and human wellbeing.
	GAIN/AFD	<ul style="list-style-type: none"> Strong and established partnerships in food system transformation in similar areas of operation – geographic and thematic – as IFAD, 	<ul style="list-style-type: none"> National and provincial levels, 		Stronger alliances among government, the PS and consumer groups to facilitate FS transformation through an integrated approach and a policy regulatory framework.
Leveraging co-financing	Canada	<ul style="list-style-type: none"> Coordination with an important development partner on scaling up an intervention in an IFAD thematic area that has been demonstrably successful, 	<ul style="list-style-type: none"> National and provincial levels, 		Synergies are established between components in GALS (approaches to behaviour change, natural resources management; gender, etc.),
Enabling coordinated country-led processes	UNCT	<ul style="list-style-type: none"> In collaboration with GoM, provides a strong platform to improve data collection for indicators in support of results monitoring for IFAD projects, 	<ul style="list-style-type: none"> National and provincial levels, 		Improved inter-agency collaboration and monitoring supported by the UNDAF,

	RBA	Opportunities to leverage comparative advantage in the food security and nutrition nexus,	<ul style="list-style-type: none"> National and provincial levels, 		A more systematic coordination on nutrition, household food security and agri-food systems transformation.
	Agriculture Working Group	Platform for coordinating interventions of the UN system and other donors,	<ul style="list-style-type: none"> National and provincial levels, 		Improved consolidation on programmes especially by the UN system, a need expressed also by GoM stakeholders,
	JICA/AU/NEPAD	IFNA programme is supporting a coordinated multi-stakeholder approach,	<ul style="list-style-type: none"> National and provincial levels, 		Clearer donor collaboration to help reduce overlaps and streamline interventions,
Developing and brokering knowledge and innovation (including SSTC)	GALS	The successful implementation of GALS as a model for social inclusion will support similar IFAD programmes,	<ul style="list-style-type: none"> National and provincial levels, 		Outward looking replication of a successful initiative in Mozambique to countries in the region and beyond.
	AGRA/IRRI	Their programmes have good linkages to a number of IFAD interventions,	<ul style="list-style-type: none"> National and provincial levels. 		Linkages with IFAD programmes in the rice sector, strengthening seed systems and addressing nutrition challenges,
	GAIN	Potential for replicating new approaches on nutrition, social inclusion of girls; and TA on how to access (co) funding.	<ul style="list-style-type: none"> National and provincial levels. 		Capability to scale up projects employing innovative development approaches e.g. from Rwanda.
Strengthening private sector engagement	CTA – chamber of commerce	As key player representing the PS, able to build effective linkages e.g. with the federation of agricultural groupings to increase investments in agri-SMEs.	<ul style="list-style-type: none"> National and provincial levels 		Increased understanding of and capacity to influence key policy issues that impact small-holder commercialization, and to advocate for change.
	AMOMIF	Opportunities to strengthen the graduation of ASCAS and increase support from banking and financial institutions.	<ul style="list-style-type: none"> National and provincial levels 		Enhanced access to finance and technology, and governance of SMEs.

Enhancing visibility	Donor Coordination Group	Platform to learn and share development interventions and increase IFAD's strategic visibility	<ul style="list-style-type: none"> National and provincial levels 		Coordinated approach to donor support. Increased knowledge and appreciation among stakeholders on IFAD's work. Effective knowledge exchange and learning.
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Transition projections

The economy of Mozambique grew at an impressive rate exceeding 7 per cent per annum between 2001 and 2015 (one of the fastest growing economies in Sub-Saharan Africa), driven by large scale investment projects in the extractive sectors, public investments in infrastructure and significant support from donors. Since 2016, a series of factors has contributed to the economic slowdown including the i) so-called “hidden debt crisis”, which led to the suspension of direct donor support to the government budget until 2022; ii) the negative impacts of recurrent extreme weather events (7 cyclones between in 2019 – 2022²⁷); iii) the effects of the COVID-19 pandemic; iv) the insurgency conflict in northern Mozambique and iv) more recently, in 2022, the Russia-Ukraine conflict. All of these factors have slowed down the socio-economic development significantly and have reversed some of the gains of poverty reduction, with the national poverty rate edging up from 62.8 per cent in 2019 to an estimate of 64.2 per cent in 2022.²⁸ The average annual per capita growth rate was negative (-0.5 per cent) between 2016 and 2020.

The compounding effects of COVID-19 and the Ukraine crisis, continue to increase global commodity prices significantly and exert a direct impact on Mozambique’s food availability as this country is highly import-dependent on many of its essential goods, (including oil, food, and fertilizer) from Ukraine, Russia, and Belarus. Mozambique depends on imports of 90 per cent of its wheat and sunflower seed oil needs, where the country imports approximately more than a third (39 per cent) of its wheat from Russia (31 per cent) and Ukraine (8 per cent)²⁹. Wheat prices registered a 12per cent increase in September 2022 compared with the same period in 2021. In addition, overall inflation rate increased from 5.7 per cent in 2021 to 12 per cent in 2022 driven by higher fuel prices, food and transportation costs.

Notwithstanding the lingering after effects of the pandemic and more recent shockwaves triggered by the Ukraine conflict, the negative economic trend began to reverse in 2021, with the annual growth rate reaching 2.3 per cent. It is estimated to reach 4.9 per cent in 2023, and is expected to accelerate in the medium term, reaching 8 per cent in 2024, due to agricultural growth, favourable commodity prices, the resumption of the Total Energies-led LNG project and the commencement in 2023³⁰, and the high level of the COVID-19 vaccination rollout. Vaccination coverage among the total population currently stands at 46 per cent and 93 per cent among adults over 18 years.³¹

Notwithstanding these positive trends, according to the World Bank, Mozambique remains at high risk of debt distress, although debt management is assessed to be sustainable in the short to medium term. Currency appreciation contributed to a drop in total public debt from 120 per cent to 106.4 per cent of GDP between 2020 and 2021. Mozambique is receiving 100 per cent grant financing in IFAD12 and is not eligible for loans (PBAS or BRAM).

Mozambique is still grappling with a military insurgency in parts of the gas-rich province of Cabo-Delgado; the four-year conflict has caused an estimated 4,000 deaths and displaced nearly one million people. About four million people are likely to face high levels of food insecurity as a result of the combined effects of climate shocks and the conflict, which is also threatening the economic potential of lucrative LNG investments in the area. The arrival of regional troops has helped stabilize the situation to a degree. The government approved a reconstruction plan for the province, as well as the “Programa de Resiliência e Desenvolvimento Integrado do Norte de Moçambique” (PREDIN). The latter is

²⁷ 2019 (Idai and Kenneth); 2020 (Chalane); 2021 (Eloise and Guambe); 2022 (Ana and Gombe)

²⁸ [MOZAMBIQUE MPO \(worldbank.org\)](https://www.worldbank.org/en/country/mozambique/overview)

²⁹ <https://docs.wfp.org/api/documents/WFP-0000143989/download/>

³⁰ [MOZAMBIQUE MPO \(worldbank.org\)](https://www.worldbank.org/en/country/mozambique/overview)

³¹ <https://www.afro.who.int/countries/mozambique/news/mozambique-vaccinates-nearly-all-adults-against-covid-19>

a short- to medium-term approach to conflict prevention and conflict mitigation, social cohesion and resilience, intended for Cabo Delgado, Niassa, and Nampula provinces.³²

Table 1 - Projections for key macroeconomic and demographic variables

Main Indicators		Projection				
		2023	2024	2025	2026	Avg. Total
Avg. GDP Growth ³³		4.9	8.2	5.1	13.9	8.0
Avg. GDP per Capita (USD)		578.91	624.27	648.12	728.71	645.0
Avg. Public Debt (% of GDP) ³⁴		102.59	99.8	97.47	83.97	96.0
Avg. Inflation Rate (%)		8.6	8.2	6.7	5.9	7.4
Rural Population (Million) ³⁵	Current (20.7million)	21.2	21.7	22.1	22.6	21.9
	Avg. Annual Growth Rate	2.93	2.93	2.93	2.93	2.9
Private Sector enabling Environment	IFAD's 2021 Rural Sector Performance Assessment (RSPA) overall score for Mozambique stands at 3.6, above the ESA average score of 3.0. The specific score for investment climate for rural business is 3.9, which measures the quality of countries' policies and institutions in the rural sector, for achieving rural development and rural transformation benefitting the poor.					
Vulnerability to shocks³⁶	The high vulnerability score of 0.517 and low readiness score of 0.269 Mozambique places it in the upper-left quadrant of the ND-GAIN Matrix with an overall score of 37.6. The country has both a great need for investment and innovation to improve readiness and a great urgency for adaptation action. Mozambique ranks 156 out of 192 countries in the ND-GAIN Country Index Rank.					

The following scenarios have been formulated, based on the medium-term expenditure frameworks (MTEF), from: (a) IMF Article IV medium term expenditure framework³⁷; (b) Government of Mozambique medium-term fiscal scenario³⁸; (c) WB Mozambique Economic Update³⁹.

➤ **Base Case Scenario.**

Medium-term prospects are foreseen to be positive, supported by the global gradual recovery, LNG and Agriculture developments. Growth is expected to accelerate in the medium term, averaging 5.7 per cent between 2022-2024. Assuming favourable weather conditions, agriculture will maintain a positive performance in the upcoming years due to continued investments in inputs. Recovery in global demand and commodity prices will continue to support export gains, and FDI inflows (mainly linked to LNG) will sustain investments.

Under this scenario, debt sustainability is expected to improve, with a debt trajectory reaching 80 per cent in 2024⁴⁰, although still above of the average public debt ratio, as a percentage of GDP. The Government is establishing a sovereign wealth fund to absorb the income from the oil and gas sectors, and this will further consolidate economic growth and macroeconomic stability. The debt distress situation will improve, however the country will remain as high-risk debt distress, and to ensure debt sustainability, the authorities will need to continue maintaining prudent and sustainable debt management practices.

³²

<https://www.worldbank.org/en/country/mozambique/overview#:~:text=Mozambique's%202022%20Economic%20Update%20notes,resumption%20of%20larger%20LNG%20projects.>

³³ <https://www.imf.org/external/datamapper/LP@WEO/MOZ>

³⁴ <https://www.statista.com/statistics/507354/national-debt-of-mozambique-in-relation-to-gross-domestic-product-gdp/>

³⁵ <http://www.ine.gov.mz/>

³⁶ Rankings // Notre Dame Global Adaptation Initiative // University of Notre Dame (nd.edu)

³⁷ <https://www.imf.org/en/News/Articles/2022/05/09/pr22145-mozambique-article-iv-consultation-and-ecf> .

³⁸ <https://www.cabri-sbo.org/en/documents/medium-term-fiscal-scenariomacro-fiscal-table-2022-2024>

³⁹ <https://documents1.worldbank.org/curated/en/099524206212215648/pdf/IDU093b925ec0187c043db0b41c055df875bbba9.pdf>

⁴⁰ <https://www.cabri-sbo.org/en/documents/medium-term-fiscal-scenariomacro-fiscal-table-2022-2024> - page 30

In August 2022, the Government introduced the Economic Measures Package,⁴¹ a series of reforms intended to stimulate economic growth, improve transparency and governance and ensure greater fiscal oversight and accountability. Potential exists to support government reforms to improve efficiency, effectiveness and financial accountability in IFAD funded programmes. Amongst the measures proposed in the package are several intended to stimulate growth in the agricultural sector and in the rural areas. These include Value added tax (VAT) exemption on imports of inputs for agriculture and electrification; lowering of corporate tax in the agriculture and aquaculture sectors (from 32 per cent to 10 per cent); and imposition of a 10 per cent tax on revenues, derived from natural resource extraction, which will be assigned to the provinces where extraction took place. These tax revenues are intended to finance infrastructure projects and development programmes, which are foreseen to have positive multiplier effects on the economy.

Should these measures be effectively implemented, this will also imply leveraging IFAD investments, particularly for the development of rural infrastructure to stimulate commercial investment in agriculture and aquaculture, while continuing to encourage Government to ensure that a significant proportion of revenue, generated by the extractive sector, is reinvested locally. An increase in foreign earnings, as a result of the sale of LNG, is likely to strengthen the national currency and has the potential to offset the rising costs of fuel, fertilizer, and imported food.

Due to the expected economic improvements, under this scenario, it is foreseen that the lending terms for Mozambique could change in the medium-to long term.

➤ **Low Case Scenario**

In the low-case scenario, a slow economy recovery will take place due to the restrictive and prolonged effects of COVID-19, the Ukraine crisis, the ongoing negative effects of the insurgency in Cabo Delgado, and recurrent extreme weather events. The domestic debt ratio will increase due to the fiscal deficit. GDP will have a moderate growth (around 4 per cent in 2024)⁴².

Domestic prices, particularly of food, will remain high due to the high costs of fuel, fertilizer, and imported food, all of which will affect the purchasing power of the poor, who on average, spend a larger share of their budget on food. The inflation rate is expected to drop by one percentage point during the projected period, to an average of 7.4 per cent. The Ukraine crisis is expected to disrupt supply chains, decrease household consumption, and postpone the implementation of development projects, further driving the most vulnerable populations into poverty and food insecurity. Due to higher inflation and weaker investment, the economy will be less attractive to foreign investments. This scenario anticipates continued debt unsustainability, and the Government's inability to acquire additional non-concessional loans, in addition to IFAD concessional loans.

Indeed, the low scenario suggests the risk that GoM may limit its international borrowing from IFIs for development projects, which are not in its priority list. The country's lending terms are expected to remain at 100 per cent DSF.

➤ **High Case Scenario**

In the high case scenario, real GDP growth over the COSOP period is projected to reach around an average of 8 per cent, between 2023 and 2026, showing an important acceleration post-COVID-19⁴³. The Government is expected to continue implementing prudent macroeconomic policy management and ambitious reforms, despite challenging conditions.

⁴¹ Republic of Mozambique (2022). "Economic Acceleration Measures Package". Ministry of Economy and Finance.

⁴² <https://www.cabri-sbo.org/en/documents/medium-term-fiscal-scenariomacro-fiscal-table-2022-2024>

⁴³ <https://thedocs.worldbank.org/en/doc/bae48ff2f2efc5a869546775b3f010735-0500062021/related/mpo-moz.pdf>

The IMF commended the Government for the policy actions to mobilize additional tax revenue and remove distortionary tax exemptions and commended the authorities for implementing a new public sector pay structure. Authorities are encouraged to continue reforms in tax administration and public financial management to underpin the efficient and transparent management of public resources. IMFs welcomes the authorities' plans for transparent management of future LNG resources through a sovereign wealth fund and suggested adopting a fiscal rule to mitigate the impact of commodity price volatility⁴⁴.

Downside risks remain high and could narrow growth to 1.9 per cent in 2022 if they materialize. The risks stem from the insurgency in the north, threatens the resumption of the LNGs projects in Cabo Delgado and further COVID-19 infection waves are considerable and could narrow the growth.

Overall, the Mozambique medium term economic projections are relatively positive taking into account recent developments in the extractive sector and the growth trends following COVID-19 and a series of environmental shocks. This is projected to continue for the period 2023–2027. However, LNG developments are expected to reinforce the current extractive-centric growth model with limited local linkages and job creation. Mozambique needs to unleash growth in non-extractive activities, promoting a more interconnected and competitive economy that shares growth more equitably. The country has strong potential to diversify its growth model, developing commercial agriculture and a competitive services sector focusing on the backbone services of ICT, telecom, transport, and logistics. This shift will require some fiscal space to invest in physical and human capital and greater private sector participation in non-extractives sectors. As part of IFAD CLPE and based on the ongoing analytical work carried out by partners such as World Bank, FAO, CGIAR, etc., dialogue should leverage an analysis of how the proposed projects (smallholder agriculture and fisheries in the target areas) would contribute to the country's GDP, its social stability, the dependence on food imports, and the fiscal balance.

⁴⁴ <https://www.imf.org/en/News/Articles/2022/05/09/pr22145-mozambique-article-iv-consultation-and-ecf>

SECAP background study outline

Introduction (0.5 pages)

Part 1 - Situational analysis and main challenges (7 pages)

Socioeconomic situation and underlying causes

Environment and climate context, trends and implications

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Institutions

Policy and regulatory frameworks

Programmes and partnerships

Part 3 - Strategic recommendations (4 pages)

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Strategic orientation

Strategic actions and targeting

Monitoring

References

Introduction

1. The Social Environment and Climate Assessment Procedures (SECAP) Review Note details the analysis of the social and environmental and climate change risks and opportunities of SECAP. The note outlines the contextual background and recommends risk management and opportunities maximisation. The review note has been produced mainly using literature review of national policies, strategies and relevant programmes and initiatives, as well as field visits and surveys. The social, environment and climate change analysis also draws on the national commitments and targets from the multilateral conventions. The data and information based on statistical data reviews from various secondary sources, including the government country reports, legal, institutional, policy, and programme documents. Furthermore, the study includes a review of IFAD strategy papers, action plans and reports from other multilateral agencies and development partners, and findings from consultations with key stakeholders in-country and virtually.

Part 1 - Situational analysis and main challenges

2. Mozambique suffered from two consecutive years of El Niño-related drought, which had a negative impact on agriculture production and agricultural livelihoods. The country is also prone to other natural disasters, including cyclones and floods, which can disrupt the country's economic development. Since 2016, the combination of the hidden debt crisis, the tropical cyclones that affected the Central and Northern parts of the country in 2019, and more recently, the COVID-19 pandemic in 2020 and the Russia-Ukraine Conflict Mozambique experienced in 2022 slowed down growth significantly. The average annual per capita growth rate was negative (-0.5 per cent) between 2016 and 2020. The negative trend reversed in 2021, with the rate reaching 2.3 per cent, and it is estimated to reach 3.7 per cent in 2022. The

impact of these events on growth has affected the wellbeing of the Mozambican population, and specially rural poor who were hit hard.

Socio-economic situation and underlying causes

3. **Poverty.** Even though Mozambique has managed to reduce poverty in all forms measured during the last 15 years, with significant improvements in rural and in every province, with reduced economic gap between women and men, large pockets of poverty remain with high levels of vulnerability. 12.4 million people are still living in monetary poverty. Poverty reduction was less effective in certain geographical areas and for certain groups, which resulted in rising inequality. People in rural areas (79 per cent) and central/northern provinces in general – but Zambezia and Nampula too (50 per cent) – lag behind in terms of resources, opportunities, and choice. All service delivery are less accessible and/or of lower quality in rural areas and in central/northern provinces.
4. Another reason for the stagnation in poverty reduction include macroeconomic volatility in recent years. This coupled with weather shocks driven by climate change, stagnant agriculture production in the Centre and North of the country (which constitute an important source of livelihoods for most Mozambicans living in rural areas) and the COVID-19 containment measures have hampered employment and households' earnings. The ongoing Russia-Ukraine conflict adds to the above-mentioned challenges faced by the poor with higher prices of fossil fuels, edible oils, and wheat - food products on which the country is a net importer.
5. **Food Security.** Over 70 per cent of the population lives in rural areas, where agriculture is the main source of household food security, livelihoods, employment and income. The sector employs 80 per cent of the workforce and is the main source of income for more than 70 per cent of the population. Yet food insecurity remains a major issue for people living in rural areas. More than half of all households live below the poverty line. Moreover, agriculture production at the household level is often not sufficient to maintain food security. According to Mozambique latest food security outlook report (August 2022), many households face increased food insecurity mainly attributed to drought, floods and conflicts (Cabo Delgado). Many have difficulties in accessing basic needs, specially access to food become a major problem due to limited income. It is reported that many poor rural households apply coping strategies in terms of the diversity of their diet and frequency of meals, which is a critical measure of nutritional security.
6. In addition, Mozambique is a country prone to weather related shocks that further jeopardize food security and nutrition in certain areas. Mozambique ranks third among African countries most exposed to multiple weather-related hazards and suffers from periodic cyclones, droughts, floods and related epidemics. For instance, due to Cyclone Idai that hit the country in March 2019, hundreds of rural communities experienced food shortages and were plunged into a nutrition crisis. Six weeks later, Cyclone Kenneth made landfall in northern Mozambique.
7. **Agriculture.** Agriculture is of central importance to Mozambique's economy, but it is largely at the subsistence level. Mozambique is largely an agrarian country with well-developed agriculture corridors (the Pemba – Lichinga, Beira, Zambezi, Nacala, Maputo and Limpopo agricultural corridors), forestry and a marine fisheries sector. Mozambique has around 36 million hectares of fertile and arable land, but only 16 per cent of land suitable for farming is currently cultivated. Productivity is low, reliance on food imports is high, and much of the population is food-insecure and malnourished. Most farms are small, family-run, and mainly subsistence. The main crops are maize (29 per cent), cassava (13 per cent), sorghum (11 per cent), beans

(9 per cent) and rice (5 per cent). All the four main corridors (Maputo-Limpopo; Beira; Nacala; and Pemba-Lichinga) will be drivers of the rural transformation, boosting the crops and dynamic of their development area. The Beira and Nacala corridors, are key for inland countries and Mozambique imports and exports. For the Maputo-Limpopo corridors, the Government is establishing (with the support from PROCAVA), the "Limpopo Agri-Economic Zone", the first agriculture and agro-industry free zone which will improve the comparative advantage of this corridor.

8. Next in importance are cash crops: peanuts, sesame seeds, cotton, tobacco and cashews. In general, the agriculture sector's performance is characterized by low levels of production and productivity due to numerous challenges. These include the adverse impacts of climate change and climate variability (droughts, floods, emergent crop and livestock pests/diseases); lack of availability and access to quality inputs and technologies; soil degradation and low fertility; poor capacity for disease surveillance and control; inadequate veterinary services; insufficient extension services and poor linkages between extension and research; and ineffective value chain and marketing development. The development challenge for the country is to harness this agricultural potential and transform subsistence industry into productive, competitive and sustainable agriculture, and to increase processing and value addition, contributing to food security and better nutrition, and increasing family incomes in rural areas.
9. **Gender** Women in Mozambique are positioned below men, in terms of rights, resources, and opportunities; their gendered responsibilities as the primary caregivers for children and of the household translate into daily, often unpaid, responsibilities, such as the collection of firewood or preparation of food for household members. Women are overrepresented in the informal sector and many more women work in agriculture. One underlying reason for this is likely to be related to the sharp difference in education between women and men, as well as traditional and discriminatory practices. Gender inequalities in the inheritance of land are rampant, despite the legal framework which firmly guarantees equal inheritance rights. Women own 28 per cent of privately-owned land in Mozambique compared to men who own 72 per cent. In addition, women only manage 70 per cent of those plots that they own, and that women are more likely to manage plots in household areas. In cases where women do manage women-owned plots of land, they typically do not grow the main cash crop for the household, and they do not use complicated or advanced production techniques. Where land is owned jointly, men are given decision-making authority over the land and its use, and polygamy further constrains individual women's access to and control over resources.
10. There is a large disparity in women's and men's representation in local institutions, authorities, and provincial assemblies. Most extension agents or workers responsible for local economic development trainings and processes are male, which can mean that they prefer to pass on information only to men due to conscious or unconscious gender bias.
11. At household levels, men tend to control household financial resources, often only a small percentage of household income is used to benefit the entire household, including providing sufficient food, health and education for children. As Mozambique is a largely agrarian country, women's access to land, finance and technologies, including access to essential services and trainings remain crucial to achieving gender parity in economic development. Offering female-led economic empowerment programs can overcome some of the inherent gender biases that limit women's participation.
12. **Youth.** Young people in Mozambique are having to face the challenges posed by the harsh realities involved in securing formal and decent employment. Most of them are resorting to the informal labour market which predominates in the Mozambican economy. The youth unemployment rate is at 41.7 per cent. Young women suffer

from the highest level of unemployment, a situation reinforced by their under representation in socioeconomic and political structures. It is estimated that around 87 per cent of Mozambican youth are employed in vulnerable jobs, mainly in subsistence agriculture or in the informal sector.

13. **Marginalised groups.** The most vulnerable groups in Mozambique are people with less assets like land, less support from family members, low economic diversification and occasional employment, often female-headed households, adolescent girls and women, children and elderly. Female headed households are more likely to work in agriculture, have less secure access to land, to be self-employed in the informal sector, and to have less formal education. There are groups in society that are more likely to be marginalized, and hence have even more difficulties in benefitting from opportunities: LGBTQI persons, persons with HIV/AIDS, persons in prostitution, persons with drug abuse, the mentally ill, and people with disabilities. People living in central and northern parts of the country, women, and vulnerable and marginalized groups are more affected by environmental degradation and disasters.
14. **Nutrition.** Malnutrition in childhood and pregnancy has many adverse consequences for child survival and long-term well-being. The consequences of malnutrition is a significant concern for Mozambique where 6 per cent of children under-five are acutely malnourished or wasted and 43 per cent of children under five are stunted (have low height-for-age), around 2.1 million (out of 4.8 million) stunted children. Mozambique is one of the countries in Africa with the highest rates of child malnutrition.
15. Poor diet quality that is not diverse enough in terms of fats, high quality protein and micronutrients, resulting in insufficient micronutrient intake has contributed to high levels of child stunting. In the rural areas in the northern part, which also has the highest levels of stunting—households consume mostly maize with additional food groups, such as oils/fats and green leafy vegetables consumed as infrequently as 2–3 days per week. Poor diet has also contributed to high levels of micronutrient deficiencies, such as anemia, which affects 69 per cent of children under five years and 47.9 per cent of women of reproductive age. Inadequate infant and young child caring and feeding practices also contribute to the high prevalence of undernutrition. The prevalence of minimum acceptable diet among breastfed infants 6–23 months is also low, at only 15 per cent.
16. In Mozambique, malnutrition rates become progressively higher from south to north. Stunting is over 50 per cent in the northern provinces of Nampula and Cabo Delgado, while it is lower than 30 per cent in the provinces of Maputo and Gaza. Six out of Mozambique’s 11 provinces have a very high level of stunting among children under-five. Differences in stunting levels can also be seen according to maternal education and wealth levels; stunting ranges from 27 per cent among children whose mothers and or caregivers have a secondary education or higher to 47 per cent among those whose mothers and or caregivers have no education. Similarly, 24 per cent of children in the highest wealth quintile are stunted, while 51 per cent of children in the lowest wealth quintile are stunted. The associations between stunting with wealth quintile helps demonstrate that high poverty is an important factor, but there are other factors contributing to these poor nutrition outcomes in Mozambique. Inadequate quality and quantity of food consumption among children, adolescent girls, pregnant and lactating mothers, including poor infant and young child feeding and caring practices, limited knowledge of nutrition and about balanced diets are contributing factors to acute malnutrition.
17. Childbearing begins early in Mozambique and can have long-term nutritional consequences. Between the ages of 15–19 years, 46.4 per cent of adolescent girls had begun childbearing. This has serious consequences because, relative to older mothers, adolescent girls are more likely to be malnourished and have a low-birth-weight baby who is more likely to become malnourished.

18. Affordability of diet is major issue that is associated with low income, limited employment opportunities, and high price of food. Around 54 per cent of households in Mozambique are not able to purchase a nutritious diet that meets minimum nutrient needs. It also estimated that the daily cost of a nutritious diet was more than four times the cost of an energy-only diet. The households that cannot afford a nutritious diet seem to be concentrated in the same provinces where stunting prevalence is the highest, and specifically in the northern half of the country in the provinces of Cabo Delgado and Nampula. Gaza and Manica are outliers: Gaza has high non-affordability and lower stunting than the national average, while Manica has low non-affordability and high stunting. Even so, as evidenced in provinces like Manica, affordable nutritious foods is only part of the solution to multi-sectoral problems such as stunting.

Environment and climate context, trends and implications

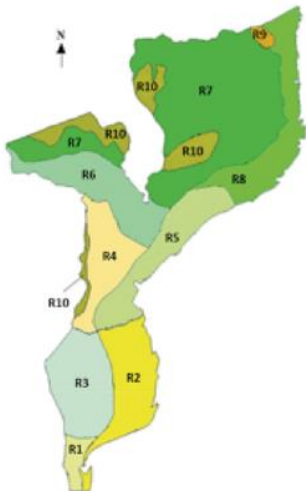
19. **Environment and natural resources.** Mozambique is located in the Eastern Coastal zone of Southern Africa and ranges and its terrestrial ecosystems are dominated by the Miombo and Mopane woodlands in the west, southwest and the Zambezi Valley. The grasslands, wooded savannas, and bush lands of the dry areas are found in the south. Montane ecosystems comprise of evergreen forests, afro-alpine grasslands, shrub-lands, and moorlands. Extensive wetlands and freshwater ecosystems are varied and include rivers, natural lakes and artificial lakes. Coastal and marine ecosystems include sandy beaches, vegetated coastal dunes, coastal lakes, swamps, Mangrove forests, sea grass beds, and coral reefs along the northern coast.
20. Mozambique is endowed with numerous natural resources and mineral deposits including large coal deposits, iron ore, natural gas, gold, limestone, hydropower, sea salt, titanium, diamonds, uranium etc. The country's natural forests and woodlands cover 43 per cent of the land area and host varied biodiversity and unique landscapes. Forests are critical to the country's social, environmental and economic well-being. The country has a land mass of 82.36 million hectares of land, of which 13.7 per cent is crop land, 45 per cent dry forest, 37 per cent grasslands and fallows, 2 per cent wetlands, 0.3 per cent mangroves and 1.3 per cent comprised of others e.g. rocks. The agriculture sector accounts for about 24 per cent of the country's GDP and employs 80 per cent of the population, largely smallholder farmers in rural areas. Much of the agriculture sector is rainfed, with irrigated land being primarily along rivers⁴⁵.
21. **Major land uses.** Agriculture is the main form of land use, followed by pasture land, forest cover, arable land, and permanent crops respectively. Rapid deforestation is the main driver of land use change, with slash and burn contributing to about 65 per cent of the forest cover loss⁴⁶. Deforestation is exacerbated by overreliance on fuel wood as the main source of energy, particularly in rural areas.
22. Over 42 per cent of the land area in Mozambique is degraded, with 19 per cent in active degradation, including desertification in the arid and semi-arid areas of the country. Between 2000-2016, the country lost 207,272ha lost to land degradation. Land degradation is highest in the provinces of Manica, Nampula, Sofala and Zambezia, with detrimental impacts to agricultural ecosystems, crop production and food security. The agriculture sector is highly vulnerable to severe land degradation through deforestation. Adverse environmental challenges are experienced as a result of migration to urban and coastal areas, leading to increased pollution of

⁴⁵ African Development Bank (2021). Climate Investment Funds- PPCR Business Development for Resilience Program. AfDB.

⁴⁶ World Bank (2018). Forests of Mozambique – a snapshot. <https://www.worldbank.org/en/news/infographic/2018/12/12/forests-of-mozambique-a-snapshot>

water sources, land and soil. Artisanal mining is also a leading cause of degradation of water, soil and biodiversity resources⁴⁷.

23. **Biodiversity.** Mozambique has a large diversity of flora and fauna, with over 5500 plant species and 5500 plant species, including national parks and forests as well as fisheries. About 300 of these species are in the IUCN Red List, thus require dedicated protection. The primary threats to biodiversity and ecosystem services are deforestation, land and ecosystem degradation, unregulated harvesting of valuable species, and introduction of invasive plant and animal species. Insecure land tenure and weak policy implementation pose serious challenges to the sustainable management of natural resources.
24. **Water resources.** Lake Malawi is Mozambique's major fresh lake, while rivers Zambezi and Limpopo are the main rivers and the Indian Ocean is the key water shed. The country has 217.1 billion cubic meters of renewable water resources⁴⁸. Mozambique faces three major challenges to its water resources. These are increased incidences of drought, floods, and saltwater intrusion along its 2700 km coast line due to sea level rise. Human induced water resources degradation caused by industrial, agricultural and domestic waste discharge into water bodies, deforestation, poor water and land use practices are likely to exacerbate the situation. Artisanal mining also contributes to erosion and siltation in some parts of the country.



25. **Blue economy resources:** Mozambique has an abundance of blue economy resources (coastal, marine, fisheries, aquaculture). The blue economy contributes to about 4 per cent of the GDP. Increase in sea level is expected to contribute to erosion and flooding of coastal ecosystems and land. In freshwater ecosystems, salt water intrusion is likely to lead to losses in fish populations, poor water quality, and destruction of fishing infrastructure and equipment. Human induced challenges include overfishing and overstocking, depletion of mangroves, illegal fishing, poor water quality and quantity management, pollution, lack of clear biophysical guidelines on development of inland aquaculture, and limited capacity to implement existing laws and regulations⁴⁹.

26. **Soil erosion.** Estimates show that Mozambique losses approximately 349 million tons of soil per year, with a mean loss per hectare of **about** 4.4 tons. The main causes of soil erosion include inappropriate farming practices, deforestation and loss of vegetative cover, mining, overstocking and overgrazing, flooding and cyclones etc.
27. Investments in integrated natural resources management, nature-based solutions, ecosystem based approaches and sustainable land management practices, sustainable management of blue economy **resources**, innovative financing models e.g. carbon trading, will be key for Mozambique in addressing environmental challenges described in this section.
28. Agro-ecological zones (AEZs) of Mozambique. Mozambique has 10 AEZs (see figure 1). AEZ I (R1), is the semi-arid Southern region and covers districts of Maputo Province and Gaza Province. Annual rainfall ranges between 500-800mm with major

⁴⁷ CIA (2022). CIA Factbook – Mozambique. <https://www.cia.gov/the-world-factbook/countries/mozambique/#environment>

⁴⁸ CIA (2022). CIA Factbook – Mozambique. <https://www.cia.gov/the-world-factbook/countries/mozambique/#environment>

⁴⁹ FAO (2019). Fishery and Aquaculture Country Profiles. Mozambique (2019). Country Profile Fact Sheets. In: FAO Fisheries and Aquaculture Department [online].

crops being maize, groundnuts, cowpeas, and cassava. AEZ II (R2) is the semi arid coastal Southern region, that covers Maputo, Gaza Provinces and the entire Inhambane Province. Annual rainfall ranges from 500 to 800 mm, with groundnuts, cowpeas, sweet potatoes, maize, rice and cassava being the main crops.

29. AEZ III (R3) is arid and covers the northwestern districts of Maputo and Inhambane Provinces, and the central and northern districts of Gaza Province. Annual rainfall varies between 400-600-mm. Sorghum, millet, cattle and goats keeping are common. Prolonged drought spells are common.
30. AEZ IV (R4) is the mid-elevation central region and covers Manica Province and central-western districts of Sofala Province. Annual rainfall ranges from 1000-1200 mm. Common crops grown include sorghum, cowpeas, maize and cassava. AEZ V (R5) is the coastal central region, covering south eastern districts of Manica Province, southern and coastal districts of Sofala Province, and the coastal southern and central districts of Zambezia Province. Annual rainfall ranges from 1000-1400 mm, with sorghum, millet, cassava, cowpeas, cashew, maize, rice and cotton being the key crops. AEZ VI (R6) is dry semi-arid and covers the southern and south eastern districts of Tete Province, the northwestern districts of Sofala Province, and the southwestern districts of Zambezia Province. Annual rainfall is between 500 and 800 mm, and millet and sorghum are the main crops. Livestock keeping is also common in this region.
31. AEZ VII (R7) is the largest and covers the central districts of Tete Province, the western and central-northern districts of Zambezia Province, inland districts of Nampula and Cabo Delgado Provinces, and Niassa Province. The region receives 1000-1400mm of rainfall annually, with maize, sorghum, cassava, groundnuts, cowpeas, cashew, and cotton being the main crops. AEZ VIII (R8) covers the northeastern coastal districts of Zambezia Province and the coastal districts of Nampula and Cabo Delgado Provinces. Annual rainfall is between 800-1200mm, with maize, millet, cassava, rice, and cashew being the key crops. AEZ IX (R9) is the smallest AEZ and includes the central-northern districts of Cabo Delgado Province. AEZ X (R10) is the high-altitude region, consists of the western districts of Manica Province, the northern districts of Tete Province, the northwestern districts of Zambezia Province, the southwestern districts of Nampula Province, and the central-western districts of Niassa Province. It receives more than 1,200 mm of rainfall annually, with a rainy season running from November to April. The main crops in High-Altitude region are maize, common beans, potatoes, and millet⁵⁰.
32. **Natural disasters.** Mozambique has a high vulnerability to severe droughts, cyclones, and floods particularly in the southern and central provinces. Around 60 per cent of the population in Mozambique lives along the coast line, making them exposed to climate-related hazards such as tropical cyclones, recurring droughts, coastal and inland flooding. In 2019, Cyclones Idai and Kenneth caused severe floods resulting in US\$3 billion worth of losses and damages. El Niño-related drought events have historically occurred every 3 to 4 years in Mozambique, primarily in the central and southern regions
33. The combined impacts of floods, droughts, cyclones, food insecurity, conflicts in the North etc. have to date increased the vulnerability of about 8million people (e.g. in Sofala, Manica, Tete, and Zambezia, Cabo Delgado, Maputo, Gaza, and Inhambane). In 2021, the global index for risk management ranked Mozambique 10th in exposure to natural and human hazards, and very highly in lack of adaptive capacities. The country integrated context analysis (ICA) conducted by WFP in 2017 revealed that

⁵⁰ FEWS NET (2018). Mozambique – staple food market fundamentals. USAID. https://fews.net/sites/default/files/documents/reports/MFR_Mozambique_edited_formatted_20181108_508%20Compliance.pdf

high food insecure risk regions are mainly located in arid and semi-arid provinces of central and southern parts – Tete, Sofala, Manica, and Inhambane provinces⁵¹.

34. **Climate change.** Mozambique ranks third among African countries most exposed to multiple extreme weather events, natural disasters and the impacts of climate change. These include droughts, floods, cyclones, heat waves, etc. The country ranks 10th Globally in exposure to natural disasters and extreme weather events. Mozambique's high vulnerability is exacerbated by its geographic location and terrain due to its long coastline, extensive land area below sea level, and the confluence of many transnational rivers into the Indian ocean⁵². High poverty levels, overreliance on rainfed agriculture, human induced forest and land degradation, low adaptive capacities and weak early warning systems further aggravate the situation.
35. Climate change, natural disasters and extreme weather will continue to devastate livelihoods, food security and well being of rural populations if action is not taken. Mozambique seeks to promote a low carbon development pathway powered by a green economy and to enhance resilience building among communities. In 2020, Mozambique submitted its updated Nationally Determined Contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC). The NDCs seek to reduce 40 million tCO₂eq of greenhouse gas emissions between 2020 and 2025 through mitigation measures such as renewable energy, low carbon agricultural practices and scaling up Reduction of Emissions from Deforestation and Degradation (REDD+). Adaptation measures in agriculture also feature in the NDCs and focus on resilience building in the agriculture, strengthening the early warning system and increasing the adaptive capacities of vulnerable people among others.
36. **Climate trends.** Historical trends show that since the 1960s, the average rainfall decreased by 3.1 per cent (2.5mm per month) per decade. Variations have been observed across regions, with the Northern provinces (e.g. Cabo Delgado, Niassa, Nampula and Zambezia) experiencing higher rainfall (over 2,000mm). High rainfall variability is found in the Central regions, and in the South, persistent droughts and floods. The rainfall season is from October to May, with November to May showing the highest rainfall. Provinces in the South, largely Maputo, Gaza and Inhambane receive lower rainfall, the lowest being about 500mm.
37. Mozambique's mean annual temperatures range from 25 to 30 °C in summer, from 15 to 21 °C in winter, with extreme temperatures the summer of above 40 °C in some regions⁵³. Mean temperatures countrywide went up by a mean of 0.9°C (0.15-0.16°C per decade) since 1960. Increases in maximum temperature are mainly experienced between October to November and February to March, with increases more apparent in the West and South parts of the country e.g. Inhambane, Gaza and Maputo^{54,55}. The central parts of the country are more prone to floods and cyclones, followed by the North and South, while the Southern part is more prone to droughts

⁵¹ African Development Bank (2021). Climate Investment Funds- PPCR Business Development for Resilience Program. AfDB.

⁵² Dutch Sustainability Unit (2015). Climate Change Profile - Mozambique. Netherlands Commission for Environmental Assessment.

⁵³ Mavume, A.F.; Banze, B.E.; Macie, O.A.; Queface, A.J. (2021). Analysis of Climate Change Projections for Mozambique under the Representative Concentration Pathways. *Atmosphere* 2021, 12, 588. <https://doi.org/10.3390/atmos12050588>

⁵⁴ WFP and IFAD (2018). Mozambique: a climate analysis. <https://docs.wfp.org/api/documents/WFP-0000108186/download/>

⁵⁵ World Bank (2011). Climate risk and adaptation country profile, Mozambique. https://climateknowledgeportal.worldbank.org/sites/default/files/2020-04/wb_gfdir_climate_change_country_profile_for MOZ_0.pdf

38. Overall, over the past 20 years, the intensity and frequency of droughts, floods and cyclones has increased. Between the years 1956-2016, the country experienced 11 droughts, 24 floods, 15 tropical cyclones, 20 epidemics and 2 earthquakes⁵⁶. The two Category 4 cyclones that hit Mozambique in March (Idai) and April (Kenneth) 2019, as well as the floods in Cabo Delgado, Zambezia, Tete, Sofala and Manica Provinces in December 2019 and January 2020 affected approximately 150,000 people, including smallholder farmers. These disasters also lead to extensive crop and livestock losses, including destruction of property and infrastructure in rural areas. Future projections show that the country will continue facing increasingly stronger and frequent extreme weather events with devastating impacts to the economy, food security and livelihoods of people.
39. **Climate projections.** Projections show that all provinces of Mozambique will experience annual increases in mean temperature. By 2060, mean temperature is projected to increase by at least 1.45°C, with the months of October to December experiencing increases of 2.0–2.1°C, compared to the historical average. The landlocked parts of the country will experience more warming while the coastal areas will experience less temperature variations. The frequency and intensity of days of extreme heat as well as droughts are also expected to increase.
40. Precipitation projections show that by 2060, mean monthly precipitation and total annual precipitation will be reduced in all Provinces and total rainfall at the onset of the rainy season in the months of October, November and December is predicted to be reduced from 24 to 11.5 mm/month, 67 to 45 mm/month, and 162 to 140 mm/month. These trends may indicate possibility of delayed rainy seasons or reduced durations of rains relative to historical trends, with a projected overall reduction of 131mm of rainfall between the historical and future scenarios⁵⁷. The frequency of days of heavy rainfall is also expected to increase, leading to increased floods. Models also reveal that the frequency of tropical cyclones is likely to reduce but the intensity of these cyclones will increase^{58,59}. Figures 2 and 3 show projected temperature and precipitation trends under various scenarios, including RCP 4.5 and 8.5⁶⁰.

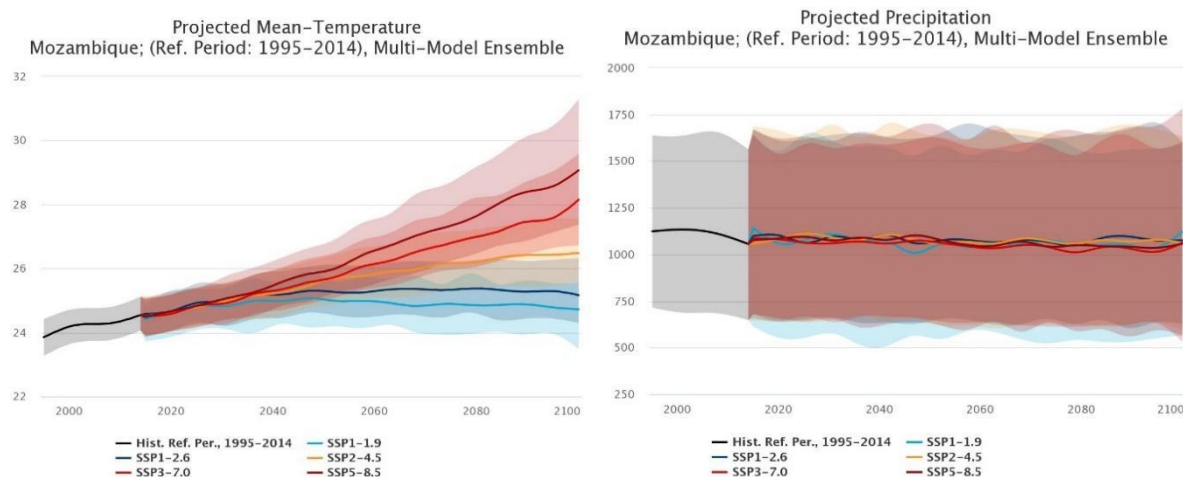
⁵⁶ African Development Bank (2021). Climate Investment Funds- PPCR Business Development for Resilience Program. AfDB.

⁵⁷ FINRES (2020). Indepth climate risk analysis for Mozambique. IFAD.

⁵⁸ University of Capetown (2019). Climate risk assessment for the agriculture sector in Mozambique. African Climate & Development Initiative Climate System Analysis Group Environmental Policy Research Unit. Funded by IFAD.

⁵⁹ USAID (2020). Mozambique climate risk profile. https://www.climatelinks.org/sites/default/files/asset/document/2021-03/2021_USAID.

⁶⁰ World Bank (2022). Mozambique. <https://climateknowledgeportal.worldbank.org/country/mozambique/climate-data-projections>



41. **Impacts of climate change.** With these projections, climate change is likely to result in disruptions of familiar seasonal trends, increased water and heat stress and reduced growing seasons, thereby affecting overall food security. Mozambique is also likely to face declining annual production/productivity of staples such as maize, beans and cassava, due to a reduction in the suitability of some areas, thereby impacting on food security. Climate resilient crops such as sorghum and cow peas will be less affected and will thus provide alternatives to traditional staples on areas that become unsuitable. The provinces of Niassa, Cabo Delgado and Nampula will have negligible or positive changes to crop suitability while the arid southern provinces of Maputo, Gaza and Inhambane, as well as the northwestern province of Tete, are predicted to experience negative impacts on virtually all crops. With regards to livestock, goats are projected to be the most resilient followed by layer poultry, with cattle showing low resilience. Some adaptive measures will need to be considered such as increasing shading, herding in higher altitudes or shifting species towards breeds and species more adapted to warmer temperature and higher humidity levels such as goats.

42. **Adaptive capacities.** Based on an assessment of climate change adaptive capacities of communities done by the University of Capetown, Maputo, Gaza and Manica provinces were characterised by the highest adaptive capacities, while Niassa, Zambezia and Nampula were likely to have the lowest adaptive capacities. Table 1 below provides a summary of the adaptive capacities of provinces, while table 2 provides adaptive measures.

Table 1: Adaptive capacities of provinces in Mozambique

	Adaptive Capacity Indicator Category				Adaptive capacity score	Adaptive capacity rank
	Adoption of improved agricultural practices	Access to alternative income	Access to agricultural information	Education		
Contribution to Index	50%	17%	17%	17%		
Cabo Delgado	3.2	39.9	62.7	22.4	22.4	7
Gaza	5.5	58.5	64.9	18.6	26.4	2
Inhambane	8.5	40.6	63.9	18.9	24.8	5
Manica	10.4	36	69.1	16.2	25.4	3

Maputo	9.2	61.1	91.1	28.6	34.7	1
Nampula	3.3	33.2	61.4	14.9	19.9	10
Niassa	5.4	40.9	57.3	13.3	21.3	8
Sofala	4.1	51.1	6.7	18.6	23.8	6
Tete	14.1	36.4	52.6	18.5	25	4
Zambezia	2.2	37.2	70.4	10.9	20.9	9

Table 2: Recommendations for adaptation measures – crops and livestock

Crop/Livestock	Production/Productivity Impact	Overall production suitability	Remarks	Recommendations
Maize	Moderate decrease for short maturing varieties and severe for long maturing varieties	Moderate to good for short maturing varieties	Severe production and economic impacts for long maturing varieties	Increase access to locally adapted cultivars; promote early maturing varieties; promote climate resilient practices, promote diversified cereals production
Groundnuts	Minor to moderate decreases	Extensive suitability	Useful option for climate resilient farming systems	Promote drought tolerant and locally adapted varieties; promote within diversified and intercrop systems; invest in post-harvest processing facilities
Cow Peas	Minor to moderate decreases	Extensive suitability	Inhambane, Maputo and Tete more vulnerable to losses. Cabo Delgado, Niassa and Nampula to remain unchanged and highly suitable	Promote as a climate resilient legume; identify target areas for increased production; promote as food for humans and livestock
Beans	Moderate to high decreases	Likelihood of unsuitability	Sofala, Zambezia, Tete and Niassa provinces more vulnerable	Identify and promote locally appropriate cultivars
Sorghum	Minor decreases Inhambane, Gaza, Tete and Manica will be more vulnerable to decreases	Considerably suitable	More resilient than other cereal crops	Identify and promote locally adapted cultivars; promote change in dietary perceptions and preferences
Cassava	Likely to decrease	Northern and Central provinces to remain suitable.	Likely to be a useful option for climate-resilient	Increased access to quality, virus-free planting material of improved varieties; increased access to facilities and equipment for processing

		Inhambane, Gaza and Maputo may become increasingly marginal	farming systems	fresh cassava; and improved capacity of farmers to monitor and respond to common pests and diseases
Livestock	Likely to decrease for cattle varieties that are not locally adapted	Locally adapted cattle or small stock more suitable	Widespread degradation of grazing resources and persistent overgrazing and the impact of droughts to impact suitability	Promote adaptable cattle breeds and small stock

Part 2 -Institutions and legal framework

Institutions

43. Nutrition improvements depend on many sectors, and translating food security and consumption impact into nutritional status often requires improvements in agriculture, environment, finance, trade, health, sanitation, education, including ability and understanding of improved caring and feeding practices. Coordination with other sectors will maximize the likelihood of nutrition impact from agriculture. Inclusive multi-stakeholder processes and approaches that bring in diverse perspectives, including indigenous knowledge, cultural insights and science-based evidence to enable stakeholders to understand and assess potential trade-offs and to design investment options that deliver against multiple public goods across these various systems. This will need to be accompanied by far more concerted effort to coordinate activities, monitor progress more closely and greater accountability from all players across the food system. The following are the most important institutions and partners that need to be engaged and enhanced collaboration and coordination may be required:

- National Council for Nutrition and Food Security (Conselho Nacional de Segurança Alimentar e Nutricional or CONSAN)
- Ministries of Agriculture, Health, Education, Environment, Finance, Trade
- USAID, GAIN, World Bank
- WFP, UNICEF, WHO

44. Gender equality and women empowerment, including youth inclusion also depend on collaboration, coordination and partnership of multiple sectoral ministries, including different partner institutions. In particular, the following entities are important to engage:

- Ministry of Gender, Children, and Social Action
- MINEDH Ministry of Education and Human Development The National Council for the Advancement of Women (CNAM)
- Commission on Gender, Social and Environmental Affairs
- JICA, USAID, World Bank
- UNWOMEN, UNFPA, ILO
- MISAU Ministry of Health
- MITADER Ministry of Land, Environment and Rural Development

- MITESS Ministry of Labor, Employment and Social Security

Policy and regulatory frameworks

45. The national policies and strategies outline importance of tackling poverty, food insecurity and malnutrition through the harmonized and integrated approach. The documents identify critical target groups, sets out strategic objectives, outlines specific interventions and key progress indicators, and identifies which institutions will assume primary responsibility for achieving results. The national priorities also ensure that rural smallholder have better access to technology, knowledge, productive assets, and are supported through different livelihoods interventions with special focus on creating decent employment, generating income, empowering young men and women. Mozambique's commitment to improving food security and nutrition is outlined in the following documents, which are aligned with the government's Agenda 2025:
- National Development Strategy (Estratégia Nacional De Desenvolvimento [ENDE]) 2015–2035;
 - Government's Five-Year Plan (Plano Quinquenal do Governo [PQG]) 2020–2024;
 - Multisectoral Action Plan for the Reduction of Chronic Undernutrition (PAMRDC) (2011);
 - Agriculture Development Strategy (Plano Estratégico de Desenvolvimento do Sector Agrário [PEDSA]) 2011– 2020 (currently under extension);
 - Green Revolution Strategy (ERV);
 - National Strategy for Food Security and Nutrition (ESAN III);
 - National Plan for Food Security and Nutrition (PASAN II);
 - Nutritional Rehabilitation Program (PRN);
 - National Strategy for SBCC in the context of Nutrition;
 - Mozambique's Multisectoral Action Plan for the Reduction of Chronic Undernutrition (PAMRDC).
46. The government has instituted the National Development Policy (ENDE) and the National Youth Policy (NYP). ENDE places emphasis on developing the agriculture, fisheries, industrial diversification, infrastructure, extractive industry, and tourism sectors; it is aimed at stimulating overall economic growth, and thus benefits youth. The NYP focuses on expanding economic opportunities for youth through employment and entrepreneurship and as well as mainstreaming youth issues into government plans and policies.
47. **Environment and Climate.** Mozambique drafted the National Climate Change Strategy and strengthened the Inter-Institutional group working on climate change, which is a representative committee of the public and private sector, civil society, and academia. MITADER has established its climate change unit which aims to support the Ministry in planning and implementation of activities which contribute to coping and dealing with climate stressors in the agriculture sector. The Mozambique agriculture sector Technical Analytical Network (TAN) also known as the Local Technical Analytical Network (LTAN) was established. Its aim is to provide technical analytical support and capacity development to the Mozambique Strategic Analysis and Knowledge Support Systems (MOZAKSS) Node, Ministry of Agriculture and Rural Development, and the agriculture sector at large.
48. Mozambique has several policies, strategies and action plans addressing climate change and natural disasters. These include the National Climate Change Adaptation and Mitigation (ENMC) (2013-2025), National Adaptation Plan (NAP) Roadmap (2020-2025), and the Master Plan for Risk and Disaster Reduction (2017-2030). The

ENMC articulates provides a set of strategic actions to ensure a more prosperous, resilient and sustainable future.

49. The National Climate Change Adaptation and Mitigation Strategy (NCCAMS) identifies adaptation and the reduction of the climate risk as a national priority and presents eight strategic actions aimed at creating resilience and reducing the climate risk in the communities, ecosystems and national economy. The eight strategic actions are aimed at; reducing climate risk, water resources, agriculture, fisheries and food security and nutrition (SAN), social protection, health, biodiversity, forests and infrastructure. The country intends to update its National Adaptation Plan (NAP) in the medium (2020 to 2025) and long (2026 to 2030) terms. Therefore, from 2020 to 2025, the country intends to increase its resilience at the provincial level and to include adaptation in provincial planning. Monitoring and Evaluation: The Government of Mozambique has approved the National System to Monitor and Evaluate Climate Change and this will be used for the Measurement, Reporting and Verification (MRV) of the adaptation actions. This system is currently being tested and will be functioning before 2020 and onwards.
50. **Nationally Determined Contributions.** The country submitted its updated Nationally Determined Contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC) in 2020. The NDCs seek to reduce 40 million tCO₂eq of greenhouse gas emissions between 2020 and 2025 through mitigation measures such as renewable energy, low carbon agricultural practices and scaling up Reduction of Emissions from Deforestation and Degradation (REDD+). Adaptation measures in agriculture include resilience building in the agriculture, livestock and fisheries sectors; strengthening the early warning system, efficient water resources management and increasing the adaptive capacities of vulnerable people.
51. **Land Degradation Neutrality (LDN).** As part of its commitment to the UNCCD, Mozambique in 2021 committed to reverse forest and land degradation by 2030 and to have 62 per cent of its energy being renewable within the same time frame.
52. **Convention on Biodiversity CBD).** The National Action Plan of Biological Diversity (NBSAP) of Mozambique (2015-2035) seeks to reverse the degradation of biological diversity and ensure sustainable utilisation of biological resources. The plan seeks to enhance sustainable management of biological resources in the agriculture, livestock, aquaculture, forestry and wildlife sectors. The plan also seeks to foster integrated management, conservation, benefits sharing, including fair and equitable use of biological diversity. This will be achieved through investments in conservation, training, financing and partnerships.

Programmes and partnerships

53. A National multi-stakeholder platform for nutrition: Technical Food and Nutrition Multisectoral Group (Government and partners) and Nutrition Partners Forum was created in 2013 for better synergies for joint programmes and coordination, including partnerships.
54. In 2018, the Ministry of Gender, Children, and Social Action through Institute of Social Action increased its budget for social protection by 22.3 per cent to cater for vulnerable children and women through various programmes. Mozambique has developed and approved the MultiSectoral Action Plan for the Reduction of Chronic Malnutrition which aims to reduce chronic malnutrition in children aged 0-5 years, from 43 per cent to 30 per cent in 2015 and 20 per cent in 2020 (MISAU et.al, 2011).

55. The Ministry of Education and Human Development is implementing the National School Feeding Program and aims to reduce in a sustainable way the negative impact of food insecurity and malnutrition in the education sector. Furthermore, The Government has deliberated on the gender strategy for the agriculture sector, 2016-2025 which aims to increase the level of women's participation in the sector.
56. Youth empowerment was enhanced through creating credit facilities for the youth, provide training programmes for youth entrepreneurs in rural communities and provision of scholarships to pursue studies in the field of agriculture. In addition, MADER developed a Flagship Programme for Youth and Women Empowerment in Agriculture in Northern and Central provinces of Mozambique.
57. In addition to the above programmes and its interlinkages, the COSOP needed to also identify the key strategic partnership, the most strategic and realistic ones to support the achievement of the strategic objectives. In particular, partnerships with farmer organizations/associations will need to be sought during the implementation of COSOP.
58. **Environment and climate.** IFAD will work with relevant agencies in the Ministry of Land and Environment to strengthen the national disaster and early warning system as well as the climate and weather information systems and work with partners to strengthen capacities at national, regional and project levels. The partnership with the Africa Risk Capacity (ARC) will be strengthened to enhance access to climate insurance for smallholder farmers and to build local capacities.
59. The programs under the COSOP will continue to scale up ongoing national efforts to promote REDD+ to restore degraded land and forests as well as access to carbon markets. Opportunities to explore PPP arrangements for biodiversity conservation and private sector engagement in conservation efforts e.g. through the existing BioFund being promoted by the World Bank, AFD as a payment for ecosystem services approach, will be scaled up under this COSOP to enhance the sustainability of the conservation and ecosystem restoration interventions
60. As a mandatory aspect of safeguards, all new projects under this COSOP be required to comply with IFAD's SECAP 2021 guidelines. The projects will also be required to develop grievance redress mechanisms to address grievances and conflicts at various levels, and stakeholder and beneficiary engagement plans that will provide guidance on the participation and engagement of beneficiaries and stakeholders, as well as develop tools to enable beneficiaries and stakeholders to provide feedback and to monitor project delivery.
61. In recognition of the need to strengthen environmental, climate and social risk management related capacities within the PMUs, government agencies and among implementing partners, the projects will invest in provision of dedicated environment and climate specialists and/or technical assistance through local/international consultants to support the development of safeguards studies and integration of the mitigation measures into the PIM and project delivery mechanisms. Training on SECAP procedures and national safeguards processes will be provided by IFAD at pre-implementation during projects' start up phases and during their implementation cycles where necessary. Strong collaboration with the national environmental management authorities will be key to managing risks and enhancing monitoring and compliance. Monitoring at PMU level and with implementing partners will be strengthened by embedding safeguards indicators in their M&E frameworks and encouraging reporting on progress in quarterly or annual reports of the PMUs.

Part 3 - Strategic recommendations

62. It is important to ensure that IFAD's all operations in the country explicitly address underlying causes related to poverty, food insecurity and malnutrition, address gender inequality, and prioritize investment towards youth inclusion, gender transformative and nutrition-sensitive actions.
63. **Nutrition.** There is need to enhance investments that improve productivity and increase production diversification with greater attention to promoting more varieties of vegetables, fruits, legumes, nuts, combined with better diversity of staples and at the same time promote environmentally friendly practices and biodiversity conservation. It may be desirable to diversify the sources of those key nutrients as much as possible through integrated farming system that is combined crop production, livestock and fisheries. Improved value chain and market access will be essential for making nutrient-rich foods available, accessible, acceptable and affordable. The value chain and marketing can support the creation of decent employment for youth and women. Better and inclusive financial access specially for the most marginalized groups (i.e. youth, women, PWDs, IDPs) can also generate better economic and social benefits for tangible results. There are opportunities for increasing nutritionally smart investments.
64. **Gender.** Reducing gender gaps in women's participation in economic development and promoting gender equality will be central to unlocking the country's full inclusive growth potential. To this end, a holistic approach is required, by focusing, among others, on: (i) increasing employment opportunities with life skills development; (ii) bridging the gap in agricultural productivity by ensuring women have equal access to key productive agricultural inputs, technology and expanding access to finance; (iii) a multi-pronged approach to increase women's security and decrease GBV and IPV, is needed.
65. **Youth.** There is a need to involve youth and create opportunities for them to access finance, receive capacity building, have decent job possibilities, and engage in value chain and marketing.
66. **Targeting.** The IFAD targeting strategy strongly emphasis on the importance of inclusion and living no one behind. IFAD will continue to focus on rural people who are poor and vulnerable but who have the potential to take advantage of improved access to assets and opportunities for increasing agricultural production and productivity through environmentally sustainable practices, value chain and marketing development and rural income-generating activities. For those who cannot take advantage immediately, who are often the poorest and most marginalized such as young men and women, PWDs, and others, the investment will promote a gradual approach to facilitate their access to resources and enable them to benefit from interventions.
67. Mainstreaming gender, youth, nutrition and environmental and climate issues in the operationalization of the targeting process in COSOP is very important with clear targeting and implementation mechanism to ensure that investments accommodate the needs and priorities of the target group and are based on the analysis of their socio-economic characteristics, assets, livelihoods, geographic distribution and their interests. The targeting will be disaggregated by (i) socio-economic status and livelihood profiles; (ii) food and nutrition insecurity; (iii) environmental degradation and climate vulnerability; (iv) vulnerability coping mechanisms; and (v) agricultural and income-generating activity potential.
68. **Environment and natural resource management.** Investments in sustainable natural resources management will be key in addressing the challenges of land and

forest degradation as well as overexploitation of natural resources. All projects within this COSOP will be environment mainstreamed. There are opportunities to invest in integrated natural resource management, sustainable management of blue economy resources, nature based solutions such as sustainable land management practices, biodiversity and mangrove conservation, payment for ecosystem services models, as well as greening of value chains through efficient and green technologies, practices and innovative financing models (e.g. carbon trading, biodiversity funds, etc.) and green jobs.

69. **Climate adaptation and mitigation.** Projects within this COSOP will explore opportunities to invest in climate adaptation and mitigation measures guided by the NDCs and NAP, as well as national climate related policies and strategies. All projects will be 100 per cent climate mainstreamed and will be climate focused (40 per cent of total project costs will go towards climate adaptation and mitigation). Some measures that will be explored will include the promotion of small-scale irrigation technologies, water harvesting and efficient water utilisation, climate and weather information systems, index based insurance and digitisation of payouts, strengthening local adaptation plans, early warning systems, agroforestry and afforestation, drought tolerant and short maturing crop species, climate resilient livestock breeds, climate proofing infrastructure, renewable energy (solar, biogas) and climate smart agricultural practices, carbon farming and trading among others.
70. Supplementary funds will be sought from the Global Environment Facility (GEF), the Green Climate Fund (GCF) and the Adaptation for Smallholder Agriculture Plus (ASAP+), private sector windows of IFAD, GCF and the GEF to complement the Loan portfolio. Already, Mozambique has been included in the IFAD GCF ASAP+ project, which is at proposal development stage, and the funds are expected to benefit PROCAVA.

Lessons learned

71. Gender and inclusive targeting. Projects need to invest more in lessening women's heavy workloads, overcoming traditional norms and the gender-based division of labour, accessing financial services, and heightening inclusion in value chains. Pro-poor gender- and youth-sensitive targeting should be enhanced and harmonized throughout the country programme, and its monitoring should be improved. The successful graduation approach for ultra-poor people should be scaled up.
72. Food insecurity and malnutrition. Future investments should enhance support for sustainable and diversified production systems, combined with irrigation and water saving technology, including livestock and fisheries, value chains and market access. Evidence shows overall positive results of the diverse interventions in production, marketing and consumption of various foods with proper feeding and caring practices and with strong behavior change and communication has improvement in household and individual dietary intake.
73. **Diversify production.** Agriculture must not only produce enough calories to feed hungry population but must also produce a diversity of food that nurture human health and support environmental sustainability. Alongside dietary shifts, agricultural support need to be re-oriented towards a variety of nutritious foods that enhance biodiversity.
74. **Food systems approach.** Enlarging the nutrition and agriculture linkages with broader focuses on value chains, food environments and consumers' behavior is aligned with the attention that food systems for nutrition has gained in the past years. Indeed, the food supply chain can impact diets and nutrition by affecting the nutritional quality of the available food. Food environments, which refer to the

contexts in which consumers engage with the food systems, influence their dietary preferences and nutritional status. Consumer behavior influences food choices, comprising preparation and intra-household food allocation.

75. **Environment and climate.** Mozambique is highly vulnerable to climate change, extreme weather events and natural disasters. Land and forest degradation exacerbate the situation. As such, every project ought to have a strong focus on strengthening climate adaptation and resilience building, mitigation actions, strengthening of early warning systems, integrated natural resource management and nature-based approaches to ecosystem management and sustainable utilisation of natural resources.

Strategic orientation

76. COSOP is aligned with government priorities with regards to the mainstreaming gender, youth, nutrition, environment and climate. It is also aligned with the key UN strategic document framing its contribution to the Government's national development priorities and actions as laid in the Government's Five-Year Plans known as the Programa Quinquenal do Governo (PQG) and inspired by the vision set in the Sustainable Development Goals (SDGs) and other global agendas and priorities. It will contribute to reduction of rural poverty, food insecurity and malnutrition in the country through harmonized integrated approach with great collaboration and closer cooperation with different stakeholders.

Strategic actions and targeting

77. Pro-poor gender and youth-sensitive targeting strategies will be further enhanced and harmonised throughout the IFAD Country Programme. More particularly, IFAD will sharpen its methods to target ultra-poor populations through graduation programming and supporting smallholders through pro-poor value chain development, interventions sensitive to gender and youth-specific challenges and opportunities. Key empowering features based on the adoption of household methodologies and capacity-building measures will promote gender equality and increase participation and voice of youth in household and community affairs. Targeting effectiveness will be monitored using gender, youth, persons with disabilities-disaggregated indicators, and participatory monitoring and evaluation measures.

Monitoring

78. Monitoring systems with specific indicators for climate, social and environmental conditions will need to be set up at programme level under the COSOP. To enable monitoring, an M&E budget will need to be set up for each programme. A participatory monitoring process is recommended, including representatives of leadership structures at the local level and representatives of all significant target groups. Issues that pertain to targeting, environmental and climate, social issues, gender inequality, people with disabilities, youth and poor people, and nutrition should be discussed. The inputs from the discussions can be integrated into project management documents to enhance projects performance.

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Fragility assessment note

Introduction.

1. IFAD defines fragility as *“a condition of high vulnerability to natural and man-made shocks, often associated with an elevated risk of violence and conflict. Weak governance structures along with low-capacity institutions are a common driver and consequence of fragile situations. Fragile situations typically provide a weaker enabling environment for inclusive and sustainable rural transformation and are characterized by protracted and/or periodic crises, often with implications for smallholder agriculture and food security”*.
2. In 2022⁶¹ Mozambique was relisted in the World Bank List of Fragile and Conflict-affected Situations. Exposure to cyclic extreme climate events (including cyclones, seasonal floods and droughts in the south), COVID-19 and insecurity in the northern part of the country are the main causes of the country’s fragility scenario.
3. Addressing fragility is critical for the delivery of Strategic Objectives (SOs) as outlined in the COSOP. In order to do so, it is important to clearly understand the drivers of the conflict and how it affects smallholders’ producers who are the primary target group of IFAD investments in the country.
4. This note draws on fragility assessments prepared by the Government of Mozambique and its development partners and is supplemented by IFAD’s own assessment of the impact of fragility of the rural poor, as experienced in the implementation of its supported projects in the country.

Country context

5. **Man-made conflicts.** As shown by its recent history, Mozambique has been plagued by man-made conflicts. Mozambique acquired its independence through a guerrilla war. The war ended with a ceasefire agreement in 1974, resulting in a negotiated independence in 1975.
6. A few years later, from 1977, a new war was fought between the national army and Renamo forces. This war ended in 1992 and, following this in 1994, Mozambique embraced democracy and organized the first multiparty general elections. The effects of these wars can be observed even today.
7. More recently, since 2017, the province of Cabo Delgado has been facing an insurgency perpetrated by armed groups with links to Jihadism. The attacks expanded geographically and increased in intensity in 2020. This prompted the

⁶¹ <https://thedocs.worldbank.org/en/doc/9b8fbdb62f7183cef819729cc9073671-0090082022/original/FCSList-FY06toFY22.pdf>

Government to request external support. Despite progress made in containing the insurgency, it has expanded into the neighbouring provinces of Niassa and Nampula.

8. The attacks resulted in thousands of deaths, looting and destruction of public, private sector and household properties and the displacement and loss of livelihoods. It is estimated that the conflict has left 1.3 million people in urgent need of humanitarian assistance.
9. **Natural disasters.** Mozambique is one of the most risk-prone countries in the world, ranking third among African countries most exposed to multiple weather-related hazards and the impact of climate change. The country is subject to environmental events including floods, droughts, cyclones, coastal erosion, rising water levels, and soil salinization.
10. The National Institute for Management of Disasters (INGD) reported that during the last 35 years up until 2016, there were 75 declared disasters in the country consisting of 13 drought events, 25 floods, 14 tropical cyclones and 23 epidemics. The regional El Niño-induced drought emergency of 2015-2016 was the worst in 35 years.
11. More recently, the country faced increasingly stronger and frequent extreme weather events with devastating impact to the economy and livelihoods of people. The two Category 4 cyclones that hit Mozambique in March (Idai) and April (Kenneth) 2019, as well as the floods in Cabo Delgado, Zambezia, Tete, Sofala and Manica Provinces in December 2019 and January 2020 affected approximately 150,000 people.
12. Disasters can cause loss of human and animal life, field crops, stored seeds, agricultural equipment/materials, and their supply systems (e.g., infrastructure), thus disrupting not only the immediate growing season but also future seasons. In rural areas, smallholders strongly rely on natural resources and have no alternative source of income or employment, making them more vulnerable to a crisis.

Assessment of fragility

13. There are four main drivers of fragility: (i) medium-intensity conflict; (ii) rural poverty linked to weak agricultural productivity and regional inequalities; (iii) weak institutions and governance; as well as (iv) high vulnerability to natural disasters and climate.
14. *Medium-intensity conflict.* The conflict escalation in Cabo Delgado, which started in 2017, has resulted in the displacement of more than 800,000 people and more than 1000 deaths. Different assessments shows that the lack of rural connectivity, the perception of exclusion and marginalization of the rural population, especially women and youth, and weak management of expectations deriving from the

implementation of large-scale projects in rural settings are the main causes of the conflict. The Government has been receiving military support from Rwandan and SADC forces, and the situation has improved significantly during the last months.

15. *Rural poverty linked to weak agricultural productivity and regional inequalities.* The fragile situation of rural households is exacerbated by the incidence and depth of poverty. Data computed from the population census confirms that the northern provinces have the highest rates of multi-dimensional poverty. Rural areas display higher levels of absolute poverty than the urban centres. Women and youth face higher problems in accessing economic opportunities due to lack of assets, prevalence of illiteracy and lower levels of education/vocational training, gender-based violence and traditionally accepted cultural norms.
16. *Weak institutions and governance.* There is a need to strengthen the capacity government institutions at all levels: national, regional, district and the community. There is also a strong need focus on private sector involvement, PPPs and the creation of transparent and competitive markets that will help beneficiaries engage in sustainable business that can be weaned off external support. The ongoing decentralization process and duplication of roles and responsibilities of government structures at provincial level is affecting the smooth implementation of development projects and should be improved.
17. *High vulnerability to natural disasters and climate.* Mozambique is a country prone to climate hazards. Evidence shows that disasters have disproportionately impacts on the poor and vulnerable, who are least able to cope with shocks, be they natural or man-made. Climate and conflict events will continue to adversely affect food security and livelihoods and, if not properly prevented and/or mitigated, are likely to bring an increasingly higher number of people below the poverty line.

Proposed response

18. The action of IFAD-supported programs and projects under the new COSOP will be guided by principles for engaging in areas of Fragile and Conflict-affected Situations, notably: (i) risk management and resilience; (ii) focus on root causes; (iii) gender mainstreaming and targeting; (iv) institution-building to promote trust and social cohesion; (v) flexible and responsive resources, instruments and approaches; (vi) strategic and complementary partnerships; (vii) results measurement and learning. Experience has shown that setting aside project funding for price and physical contingencies to allow for rapid response interventions is key for restoring livelihoods. Building from its corporate mandate and responsibilities, IFAD will work with Government and other partners to ensure that support actions are well structured all the way, starting from humanitarian and emergency type of response progressing into transitional interventions and leading to resumption of development assistance. This approach will, in particular be applied in areas affected by conflict.
19. On Climate and Adaptation, the IFAD focus will be on reinforcing the communities resilience, readiness and adaptation and the introduction of innovative approaches to deal with the recurrent extreme weather events. The high vulnerability score of

0.517 and low readiness score of 0.269 Mozambique places it in the upper-left quadrant of the ND-GAIN Matrix with an overall score of 37.6. The country has both a great need for investment and innovation to improve readiness and a great urgency for adaptation action. Mozambique ranks 156 out of 192 countries in the ND-GAIN Country Index Rank.

20. The IFAD operations in the conflict area (Cabo Delgado), are in response to the Government "Northern Mozambique Reconstruction Plan – PREDIN" and is incorporated as part of the UN joint response to the northern Mozambique reconstruction.
21. In line with the stabilization of the security situation, and return of the communities to the home Districts, project operations will be reinforced in the province, with the reinforcement of the PROCAVA and REFP northern regional units, as well as the PRODAPE/IDEPA delegation in Cabo Delgado. With more resources in the region and province in particular, the interventions to reinforce the communities resilience to the shocks will be achieved. Around USD 30.0 million will be directly invested in the Cabo Delgado during the next 3-5 years through IFAD supported projects, and these investments will benefit mainly Internal Displaced People and other members of the community.
22. A specific project was designed in collaboration with ILO (through REFP), on "Decent Work for Youth in Northern Mozambique", which is working with youth IDPs and other members of the community to get access to self and wage employment, through trainings into vocational centres and linkages with PRODAPE, PROCAVA interventions, as well as REFP for financing.
23. In areas where the security situation is still a threat, the Government will consider using third party agencies or NGOs to assist the vulnerable groups.
24. As part of the new project design process (PROPEIXE), a Fragility/Conflict assessment was carried out for the northern Mozambique to inform the suitable project interventions in its contribution for the livelihoods and peace building.
25. IDPs/returnees Targeting. Selection of IDP/returnee households from IDPs within targeted areas in the North (Cabo Delgado and Nampula) will consider e.g. social protection registries, as well as community-based targeting process to select beneficiaries. This will be adapted to prioritize those households most at risk of climate change, as well as households that are likely to be poorer and more food insecure (e.g. large households, women-headed, those with children), and households which are vulnerable to fragility risks, such as those with at-risk youth. IFAD interventions will specifically target returnees in Mocimboa da Praia district in order to support the return and reconstruction process, and contribute to conflict prevention by addressing key socio-economic drivers of fragility, particularly among youth. Collaboration and coordination with other humanitarian and development

agencies will be in place, in line with UN Coordinating response in the North of Mozambique and to enhance a harmonized targeting approach. Selection criteria will be clearly defined in close collaboration with stakeholders and potential beneficiaries. Where working with IDPs in host communities, the project will ensure equal inclusion of both and proper mechanisms to minimize conflict.

COSOP preparation process

1. The COSOP preparation process was led by the IFAD Country Programme Team in Mozambique, in collaboration with PMI, ECG, FMD and GPR. The participatory process began in 2021 with the 2018-2022 COSOP Review process (CRR) mission, which assessed progress, results and lessons learnt.
2. The following consultations were undertaken at national level during the period 10-21 October 2022: (i) workshops, meetings and group discussion sessions with the key government agencies involved in the proposed COSOP thematic areas and PMTs; (ii) meetings with key private and non-government stakeholders, including apex farmers' organisations, apex private sector organizations, the apex microfinance organization, civil society organizations; iii) Meetings with UN, donor and other development partners, and iv) academia.
3. The final draft RB-COSOP was submitted for in-house review at IFAD Headquarters in Rome, together with observations and suggestions from external reviewers. This process involved a peer review, an OSC review, and a Quality Assurance process managed by Operational Strategy and Policy Guidance Committee Secretariat (OSC). Eastern and Southern Africa Division (ESA) addressed the comments emerging from the in-house review process in a revised RB-COSOP draft.

COSOP approval

4. The COSOP draft as amended through the IFAD review process was shared with the COSOP formulation team and the Government for their formal endorsement. A stakeholder's workshop to present the final draft COSOP by the Country Team was carried out, a brief discussion and an endorsement of the strategy by the participants and Government was done. Subsequently it was shared with the IFAD for review and endorsement. Comments have been addressed and included in the RB-COSOP prior to submission to the OSC. The final document will be submitted to the IFAD Executive Board for review in its session of April 2023.

5. List of Individuals interviewed

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Emília Coutinho	MEF – National Directorate of Public Debt	Head of Repartition of Public Debt
Miguel Mandlate	MEF – National Directorate of Public Debt	Technician

Dina Guambe	MEF – National Directorate of Economic Policies and Development	Head Department of Strategic Planning – Member END review team
Sérgio Panguane	MEF – National Directorate of Economic Policies and Development	Technician
Paulo Zibia	MEF – National Directorate of Economic Policies and Development	Technician
Amosse Bule	MEF - CEDSIF	Technician
Dário Dilamo	MEF - PNUD	Consultant supporting the END review
Humeide André	MADER – National Directorate of Cooperation and Markets	Head of Department
Joel Menete	MADER – National Directorate of Cooperation and Markets	Technician
Valdemiro Munguambe	MADER – National Directorate of Cooperation and Markets	Technician
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Anselmo Chivinde	MIMAIP – National Directorate of Marine Policies	National Director
Felismina Antia	MIMAIP – National Directorate of Cooperation	National Director
Caldas Chemane	MIMAIP – PROAZUL	Consultant
Ana Lurdes Coane	MIMAP – InoM	Representative
Florentina Mandlate	MIMAP- InoM	Representative
Tomé Capece	MIMAIP - PRODAPE	Project Coordinator
Momed Valá	MIC – Cereals Institute (ICM)	General Director
Jorge Dante	MIC – Commodity Exchange BMM	Administrator

Júlio Daute	MIC – Internal Commerce Directorate	Deputy Director
Francisco Sambo	MTA – National Directorate of Planning and Cooperation	National Director
Judwiga Massinga	MTA – National Directorate of Climate Change	National Director
Alexia Mutisse	MTA - National Directorate of Planning and Cooperation	Head of Department
Joaquim Langa	MTA – National Directorate of Land and Territorial Planning	National Director
Olga Chicanja	MTA – National Directorate of Land and Territorial Planning	Head of Department
Dinis Massinga	MTA – National Directorate of Land and Territorial Planning	Lawyer
Inácio Novela	MTA – National Directorate of Land and Territorial Planning	Head of Department
Eusébio Tuimitikile	MTA – National Directorate of Land and Territorial Planning	Technician
Hernani Coelho da Silva	FAO	Resident Representative
Margarida Cocho	WFP	Head of Programmes
Chiara Arie	WFP	Deputy Head of Programme
Christian Grassini	WFP	CC Officer
Francesco Rubino	ILO	CTA
Jaime Comiche	UNIDO	Resident Representative
Leonildo Munguambe	UNIDO	Programme Officer
César Tique	AfDB	Agriculture and Rural Development Specialist
Ana Zandamela	AfDB	Senior Operations Analyst
Luis Muchanga	UNAC	Executive Coordinator
Bartolomeu António	UNAC	Head of Department of Rural Development
Nelson Manuel	UNAC	Head of Department of Training and transparency
Simão Cumo	UNAC	Head of Department of Administration and Finance
Ricardo Rossi	EU Delegation	Team Leader – Resilience and Climate Change
Daniel Levassor	EU Delegation	Agriculture and Blue Economy Manager
Carlos Mate	Norway Embassy	Agriculture and Food Security Advisor
Clarisse Barbosa	Norway Embassy	Fisheries Advisor

Sérgio Dista	FCDO-UK	Head of Private Sector
Vânia Dava	FCDO-UK	Private Sector Advisor
Mary Hobbs	USAID	Director – Resilient Economic Growth Office
Jessie Snaza	USAID	Agriculture Team Leader
Paula Pimentel	USAID	Agriculture Advisor
Elsa Mapilele	USAID	Agribusiness Advisor
Hélène Verrue	AFD	Project Officer
Lindsey Partridge	Canada High Commission	Head of Cooperation
Ashraf Hassanein	Canada High Commission	Head of Cooperation
Elsa Nhantumbo	Canada High Commission	Development Officer
Horacio Morgado	Canada High Commission	Technical Specialist – Sustainable Economic Growth
Miguel Rombe	Canada High Commission	Economic and Development Officer
Vasco Manhiça	CTA	Vice-President
Hernani Mussanhane	CTA	Vice- President – Agrarian Associations
Evaristo Madime	CTA	President of Industry Area
Arlindo Duarte	CTA	Vice President - Industry
Pilona Chongo	CTA	President of Agribusiness
Abdul Naico	CIP	Country Manager
Maria Andrade	CIP	Principal Scientist
Rogério Chiunde	UEM - FAEF	Dean
Kawazuma Kohei	JICA	Head of Agriculture and Fisheries
Matsui Yousi	JICA	Director Nutrition
Kyoko Sakurai	JICA	Nutrition Officer
Edson Marina	JICA	Programme Officer
Katia Perreira	ORM	External Relations and Fund Raising Officer
Mariam Abbas	ORM	Researcher and member of Board of Directors
Margarida Martins	ORM	Head of Administration and Finance
António Souto	AMOMIF	Chairman
Isabel Lubrino	AMOMIF	Board Member
Eduardo Videira	WWF	Senior Marine Officer

Rodrigo Fernandes	WWF	Coordinator of Marine Projects
Santiago Goicoechea	UN - RCO	Senior Economist
Gaspar Guambe	GAIN	Country Director
Rafael Nzucule	GAIN	Manager of SUN Business Network
Diva Dessai	GAIN	Policy Advisor
Paulo Mole	AGRA	Country Representative
Doris Becker	GIZ	Head of Private Sector and Finance
Bjoern Hecht	GIZ	Manager – Private Sector
Haggai Mario	ADIN	Coordinator – Economic Programmes Division
Tomás Rosada Villamar	World Bank	Senior Agriculture Economist
João Moura	World Bank	Climate and Resilient team

South-South and Triangular Cooperation Strategy

I. Introduction

1. This annex on SSTC highlights sectors of relevance and provides, in section IV, options for interventions that could be undertaken. It builds on the cross-cutting approach of the COSOP 2018 – 2022; as well as lessons learned during its implementation. Prepared with reference to in-country consultations with key stakeholders including officials of the Government of Mozambique, national and international development partners, NGOs, members of civil society; it has also benefited from the knowledge and experience of colleagues in the IFAD ICO in Maputo.

II. Opportunities for rural development investment promotion and technical exchanges

2. The following areas have been identified as important opportunities for the Fund's programme, to be expanded in the section below:
 - a) Development of market intermediaries such as Farmers' Organizations (FOs), whose capacities need continual support and strengthening.
 - b) Collaboration with local communities to sustain and rehabilitate farm roads and related infrastructure.
 - c) Sustainable management of natural resources, including technology on animal fodder and small-scale irrigation; also partnership with the private sector.
 - d) Biodiversity conservation, including technical assistance with spatial planning and data tools to support information gathering on community boundaries, wildlife presence, and the location of relevant infrastructure.
 - e) Expansion of financial services to smallholder farmers, underpinned by an ecosystem of effective regulatory and policy frameworks.
 - f) Support to the private sector, including Public-Private and Producer Partnerships to increase commercialisation and aggregation.

III. SSTC engagement rationale

3. Mozambique's international cooperation strategy promotes partnerships based on solidarity and mutual respect. In its external engagement, the country seeks to advance a development-focused agenda through cooperation and multilateralism; a strategy that reflects the guiding principles of SSTC. To this end, Mozambique actively pursues internal and external collaboration with a diverse range of partners, looking to harness these engagements to address its development challenges, especially in the mining, industry, fisheries and agriculture sectors.

IV. Partnerships and initiatives

4. Partnerships are a complementary modality which can help in filling identified capacity gaps and tackling the challenges identified in the COSOP.
5. Capacity building of Farmers Organisations (FOS). These need a strong framework of continuous training, incorporating mentoring, refresher courses and practical demonstration. Time-bound training provided for their establishment will only have

a short-term effect. The Training of Trainers approach supports the continuous formation of a group of individuals to assist the FOs on a graduation pathway, toward formally registered rural enterprises.


6. The SFOA Programme has transformed FOs across the continent into stable and accountable organisations with regional and sub-regional networks. An initiative of interest could be the "Peasant University", a long-term training tool for FO leaders who can participate in conferences on current topics. This initiative could be supported by educational institutions such as the Eduardo Mondlane University, which is interested in transferring its years of research into practical rural extension and outreach.
7. Public-Private-Producer Partnerships (4Ps). Engagement with the private sector can improve access to external investments and generate market opportunities for the FOs. With the continued support of the **Netherlands Development Organisation (SNV)**, the 4Ps model can be expanded, with learning opportunities from **Benin** through the Agricultural Development and Market Access Project (PADAAM) or from **Nigeria** where the internationally recognised Commodity Alliance Forum (CAF) has aggregated producers, input dealers, credit suppliers and processors. A stated area of need from the private sector is how to reduce the conditionalities imposed by established banks, which greatly curtails the favourable consideration of most smallholder farmers for loans and other financial instruments. Lessons learned from implementation of the projects in the countries indicated above will be valuable.
8. Infrastructure maintenance. Routine maintenance of roads, particularly earth roads, increases their longevity. In **Nigeria**, The Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt project has organised, trained and equipped Community Development Associations (CDAs) for regular maintenance (labour-based) and rehabilitation of farm roads. A similar model, integrating the participation of local governments and mobilizing the youth, will benefit the rural communities in Mozambique, improving their access to markets and reducing the distance to water sources. The local authorities in Mozambique can learn from this model through a study tour to Nigeria.
9. Natural resource management. **Kenya** could offer substantial knowledge here, in view of the many IFAD interventions addressing water resource management, particularly through drip irrigation systems. A successful South-South collaboration was established with Ethiopia for the adoption of this technology. **Mauritania**, also benefiting from IFAD support in natural resource management, saw the introduction of solar panels as cost-effective add-ons to water pumping systems. A combination of the two technologies will address the challenge relating to cost-effective irrigation systems in Mozambique. Technology transfer and knowledge exchange activities can be organised with the two countries for their adoption.
10. **ICARDA** has developed multiple production methods for climate adaptive fodder, and can be a partner of choice for training on fodder management practices and their long- term benefits for the environment.

11. Biodiversity conservation. The establishment of coordination platforms such as the National Administration of Conservation Areas (ANAC) reflects increased commitment at all levels to improve water and land usage and protect wildlife. However, misaligned objectives, complex internal dynamics and lack of ownership are challenges. A triangular partner, such as the **GIZ**, could facilitate policy dialogues for institutional strengthening and governance.
12. SSTC could also support access to spatial planning and data collections tools. IFAD's Participatory Small-scale Irrigation Development Programme II in **Ethiopia** has developed an online Management Information System (MIS) connected to a geo-map interface, and seeks opportunities for scaling it up.
13. Other collaborations on biodiversity conservation can be explored. Bee-keeping as an industry can be an approach to restore rapidly declining mangrove forests, cut down for household energy. Valuable knowledge from beekeeping associations in **Algeria**; and in-country partnership with the Agence Française de Développement, which has successfully introduced bee-keeping around national parks and game reserves in Mozambique to reduce the incidence of poaching and other activities inimical to conservation could be explored.
14. Rural Finance. **Brazil**, already a strong partner, could provide technical assistance and policy dialogue to the rural finance sector. The country has seen a remarkable expansion of Community Development Banks (CDBs), which provide financial services including microloans and capacity-building activities to small-scale entrepreneurs. The need is for an intermediary level of support to rural finance, working with the IPEME (Institute for Promotion of Small and Medium Enterprises). The institutional entry points for policy dialogue and knowledge exchange could be the **Brazilian Cooperation Agency (ABC)** or the **Brazil Africa Institute (IBRAF)**.

V. Conclusion

15. The opportunities identified for the new Mozambique COSOP can complement the interventions planned for the upcoming IFAD strategy in the country; to be expanded as the programme is implemented. It is also important to note Mozambique's potential as an SSTC provider. Successful application of the Gender Action Learning System (GALS), for example, has empowered women to take decision-making positions in Farmer Organisation. This achievement, already promoted by donors and partners, can be one of its offers for knowledge exchange with countries in the sub-region and the continent as a whole.

Financial management issues summary – Appendix VIII

COUNTRY	Mozambique	COSOP	
A. COUNTRY PORTFOLIO PERFORMANCE			
Country – FM KPIs:			
FM Inherent Risk:	High		
Country Disbursement Ratio (rolling-year)	10.40%		
Outstanding Ineligible Expenditure			
Outstanding Advances (Projects in Expired Status)	154,843 USD		
Applicable PBAS cycle:	IFAD12		
PBAS Available allocation:	49.3 million USD		
<p>Outlook⁶²/ Debt sustainability. Economic growth is projected to increase in 2022, with the strengthening economic recovery despite the worsening international economic environment and rising commodity prices, reflecting a strong vaccination campaign and full lifting of COVID-related restrictions in July 2022. Inflation has risen to double digits, driven by global fuel and food prices and tropical storms that impacted domestic food supply in the second quarter. Fiscal developments in 2022 are broadly aligned with expectations, with strong revenue and contained spending. Large liquefied natural gas (LNG) investments are driving the current account. The first LNG project started production in November 2022. The government continues to build institutions and capacity to manage public resources efficiently. These include: i) applying appropriate fiscal rules and institutions for LNG resources; ii) addressing concerns around governance, transparency, and corruption; and iii) enhancing equality of opportunity and greater social inclusion. The Medium-Term Debt Strategy (MTDS), published in July, aims to increase the share of external financing, and lengthen maturities of domestic debt. According to program targets and debt sustainability, the government plans to seek external financing exclusively on concessional terms. On May 9, 2022, under Article IV consultation, IMF approved a three-year arrangement under the Extended Credit Facility for Mozambique for US\$456 million. In 2022, Mozambique will also benefit from a concessional project loan from the World Bank of US\$200 million to support digitalization and, for 2023, the GoM has started negotiating a new concessional project loan of US\$200 million to support the economic reactivation package. As per latest IMF/WA DSA analysis conducted in 2020, further confirmed during the first IMF review in December 2022, Mozambique is in debt distress. IFAD12, Mozambique will receive 100 per cent DSF financing and is not eligible for PBAS or BRAM loans.</p>			
<p>Governance. In 2021, the TI Corruption Perception Index for Mozambique scored 24 (+1 point vs PY) which places the country in 147th position out of 180 countries. According to the World Bank report “Mind the Rural Investment Gap, December 2019”, corruption is a brake on economic growth. Mozambican companies cite corruption as a major Constraint for their activities because (i) they are asked to make informal payments to obtain public services; (ii) must pay bribes to obtain electricity or water connections and permits related to new constructions; (iii) must pay bribes to obtain import or operating licenses; (iv) many companies face the need to pay bribes to secure government contracts. In 2018, the demand for bribes has increased and is above average corruption levels recorded, both globally and in sub-Saharan Africa.</p>			
<p>According to 2021 CPIA⁶³ rating, Mozambique is a medium-to-low policy performer (score 3.1, flat vs PY) and ranks 24th out of 40 sub-Saharan countries (avg. score 3.1). Weaknesses persist in Public Sector Management and Institutions, in particular under Transparency, Accountability, and Corruption which is the indicator recording the lowest score (2).</p>			
<p>PFM/PEFA Assessment⁶⁴. According to most recent PEFA assessment conducted in 2019 (and released in 2021), only 13 per cent of the indicators show solid performance level (B and B+), whereas 52 per cent indicators perform in line with the baseline level (C and C+). Main strengths relate to (i) good practices in budget scrutiny by the Assembly of the Republic, (ii) the proper budget preparation process, (iii) revenue administration, (iv) quality of access processes to e-SISTAFE records, which guarantee the integrity of financial data. Weaknesses (D score) are in (i) procurement (less than 60 per cent of value acquisitions use competitive methods), (ii) lack of a system for monitoring arrears (stock of late payments representing 11 per cent and 22 per cent of aggregate expenditure) (iii) transfers to subnational governments and (iv) external audit (with a coverage on institutions that represent less than 50 per cent of public expenses/revenues).</p>			
<p>External Audit of public finances is conducted by the Tribunal Administrativo (TA), using ISSAI standards, which has unrestricted access to the necessary information, which produces audit reports submitted, in a timely manner, to the Assembleia de Republica (AR) for the exercise of external scrutiny (within 4-6 months). However, TA recommendation are not timely implemented by Government. The accounting standards used to prepare the Government's financial reports, namely for the General State Account, are consistent with the</p>			

⁶² [IMF-Mozambique ECF Review - December 2022](#)

⁶³ [CPIA Africa 2022 - World Bank.](#)

⁶⁴ [PEFA assessment 2021](#)

existing legal framework in the country, produce consistent reports, and their use is publicized. However, they are not aligned with the IPSAS nor are any differences with them made explicit. On the other hand, Internal Audit is operational in all central government entities. Annual internal audit programs exist and almost all (90 per cent) of audits scheduled in 2018 were completed by the Inspectorate-General of Finance (IGF). In most cases (> 50 per cent) a response from entities audited is provided.

In December 2022, the IMF reported that improvements in expenditure management, budgetary planning, and financial programming are underway. Public procurement stages were added to the electronic financial administration system (e-SISTAFE), and suppliers are now required to show valid commitment notes before delivering goods and services (MEFP). Ensuring that more spending is executed within e-SISTAFE will improve control, avoid over-commitment at the spending entity level, improve predictability and oversight, and reduce scope for extrabudgetary arrears. The government plans to integrate all spending within e-SISTAFE by end-2022 and establish limits on quarterly expenditure commitments (to be operationalized through a quarterly Treasury Budget). This reform will be implemented through the budget execution circular for the 2023 budget. The authorities will establish a cash management committee by end-2022 and map all public sector bank accounts (MEFP). The new financial programming and budgetary planning tools will be operationalized in e-SISTAFE and implemented in all spending units by end-December 2022. The authorities will fully integrate climate resiliency criteria in public investment planning and project selection over time.

Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.

CURRENT LENDING TERMS	DSF Grant (100%)
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B. PORTFOLIO, FM RISK & PERFORMANCE

Existing Portfolio:

Project	Financing instrument	FLX Status ⁽²⁾	Lending Terms	Currency	Amount (million)	%Disbursed	Completion date
PROMER	200000145400	EXPD	DSF HC GRANTS	XDR	8.94	99.78	31/12/2021
PROMER	200000145500	EXPD	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	8.94	99.78	31/12/2021
PROMER	L-I--754-	EXPD	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	19.1	99.99	31/12/2021
PROSUL	G-C-ASP-1-	EXPD	ASAP GRANTS	XDR	3.26	99.7	29/06/2020
PROSUL	G-I-C-1391-	EXPD	LOAN COMPONENT GRANTS	XDR	1.01	99.91	29/06/2020
PROSUL	L-E--15-	EXPD	HIGHLY CONCESSIONAL TERMS 0.75 pc	EUR	13.3	99.56	29/06/2020
PROSUL	L-I--878-	EXPD	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	10.85	99.44	29/06/2020
REFP	200000228900	DSBL	DSF HC GRANTS	USD	62.1	29.64	29/09/2024
PRODAPE	200000311300	DSBL	HIGHLY CONCESSIONAL BY CURRENCY	USD	8.6	10.46	29/06/2026
PRODAPE	200000311400	DSBL	DSF HC GRANTS	USD	34.4	6.58	29/06/2026
PROCAVA	200000323600	DSBL	HIGHLY CONCESSION	USD	8.4	37.81	29/06/2030

			AL BY CURRENCY				
PROCAVA	200000323700	DSBL	DSF HC GRANTS	USD	33.6	19.84	29/06/2030
PROCAVA	200000362600	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	0.76	100	30/08/2022
PROCAVA	200000386700	DSBL	SUPPLEMENTARY FUNDS GRANTS	USD	0.93	100	30/08/2022

Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds
PROMER	Moderate	Satisfactory	Mod. unsatisfactory	Moderately Unsatisfactory	Satisfactory
PROSUL	Substantial	Moderately Satisfactory	Mod. satisfactory	Moderately Satisfactory	Highly Satisfactory
REFP	Moderate	Moderately Satisfactory	Satisfactory	Unsatisfactory	Moderately Unsatisfactory
PRODAPE	Substantial	Moderately Unsatisfactory	Mod. unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
PROCAVA	Substantial	Moderately Satisfactory	Mod. unsatisfactory	Satisfactory	Moderately Unsatisfactory

Update on On-going Portfolio.

- (i) The closure of two projects, PROSUL and PROMER is pending on the refund of outstanding advances. As per IFAD communication dated December 2022, future disbursements to ongoing projects' designated accounts will be conditioned upon the receipt of the refund
- (ii) Quality and timeliness of audit has been less than satisfactory in FY 2021-2. Action plans are in place to improve audit quality and to strengthen projects' alignment to international accounting standards.
- (iii) Two RPSF grants managed by PROCAVA are due to be closed. The ICO is following up for the justification of advances provided and for the RPSF audit.

Use of Country Systems.

Organisation (on-country system). The projects are partially staffed by government personnel, with some staff recruited specifically for the project. Involvement of some government staff in the LPA (e.g. for approvals)

RISK: limited experience on management of development projects.

MITIGATION: Competitive recruitment for key staff at PMU, capacity building for seconded staff at field level.

- Budget** (on-country system). AWPB is submitted to Ministry of Finance for inclusion into the budget for each financial year. This is done for purposes of approval of funds through e-SISTAFE, which is the government financial management information system (IFMIS). Projects' budgets are subject to budget ceilings, and are booked into the e-SISTAFE in order to get authorization for expenditure. Overall, the IFAD and Government cycles are not fully harmonized. The Government approves its national budget in September in the parliament and IFAD in November. Due to planning and budget requirements (e-SISTAFE), projects use to prepare a provisional budget for the Government cycle to be approved, and after the approval from IFAD, a request is made to the Ministry of Finance for the revision according to the IFAD approved budget. Budget is prepared with a bottom up approach at district level, within the ceiling provided, then consolidated at PCU.

RISK: the lengthy authorization process from Ministry of Local Authorities to recalibrate district budgets, when needed, may impact on low execution rate.

MITIGATION: (i) early start of budget consolidation, (ii) sharp scrutiny for realistic estimates, (iii) effective budget-module installed at IFMIS to monitor deviations.

- Accounting/reporting:** (on-going full migration to country systems). Mozambique is slowly transitioning to accrual accounting, albeit more in the private than in the public sector, and donor-financed projects are using cash basis of accounting. Government system E-SISTAFE is used to manage payments. E-SISTAFE is the mandatory accounting system across PFM, however in terms of reporting capacity for donor financing it has shown limitations, including Chart of Account alignment, limited reporting by project and source of financing. As part of an ongoing pilot, the system is being customised to accommodate IFAD's requirements, implementation is expected to begin in early 2023. In the meantime,

*PROCAVA and REFP are using off-the-shelf accounting software, whereas PRODAPE is doing manual accounting (Excel).
RISK: manual accounting exposed to systemic human errors and unreliable reporting.
MITIGATION: (i) Customization of E-SISTAFE almost completed (CoA, minimum reporting, transaction reporting); (ii) training to users.*

- **Treasury** (on-country system). *Funds from IFAD are received in the DA held with the Bank of Mozambique (country's central bank). There is also a FOREX/Transitory Account which is managed by the Treasury National Directorate in which funds are converted to local currency and made available in e-SISTAFE. All projects' withdrawal applications are subject to final approval by the Bank of Mozambique.*

RISK: late replenishment at provincial level.

MITIGATION: ensure GoM does not impose justification-thresholds to subsequent advances from PCU to provinces.

- **Audit** (transitioning to on-country system). *An Internal Audit unit is generally established at the LPA. External Audit is the responsibility of the supreme audit institution, the Tribunal Administrativo. IFAD projects will start to be audited by the Tribunal Administrativo starting with FY 2022*

- *RISK: delays due to translation process causing late submission of audit reports*

- *MITIGATION: early engagement of TA for inclusion in the Auditor's work-plan.*

Procurement risk matrix – part A country level

Based on MAPS II – ASSESSMENT OF NATIONAL PROCUREMENT SYSTEM **FOR MOZAMBIQUE**

OECD Pillar I – Legal, Regulatory and Policy Framework					
Indicator # and Sub-Indicator #	Sub-Indicator Description ⁶⁵	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
1	The public procurement legal framework achieves the agreed principles and complies with applicable obligations.				
1(a)	Scope of application and coverage of the legal and regulatory framework	The Regulamento covers the procurement of goods, works and services, including consulting services for all public bodies except SOEs which develop their own regulations. This leads to fragmentation of the PP legal framework and may impinge on transparency.	H	Use IFAD Procurement Guidelines	H
1(b)	Procurement methods	QCBS selection method and Framework Agreements not included in the Regulamento. Request for Quotations and Direct Contracting can be used when the previous or the same procurement process has failed because all bidders were disqualified. This can lead to abuse by contracting authorities.	H	Follow IFAD Guidelines on Selection Methods. Avoid use of DC/SSS and if there is strong justification for its use, seek IFADs NO.	H

⁶⁵ The Indicators and Sub-Indicators are extracted from OECD-MAPS II of 2017 in order to harmonise with other MDBs and to save time and effort in conducting Part A assessments in case a recent MAPS II assessment has been conducted for the borrower's country system. The criteria to be applied in assessing each Sub-Indicator are those of OECD-MAPS II.

1(c)	Advertising rules and time limits	<p>The Regulamento does not require the publication of the procurement plan.</p> <p>Extension of time frames in the case of international competition not covered.</p> <p>There is no requirement for publication of open tenders in at least a newspaper of wide circulation or on a unique Internet official site where all public procurement opportunities are posted.</p>	H	<p>Ensure publication of GPNs on all planned activities.</p> <p>Follow IFAD Procurement Guidelines with respect to extension of time, definition of time frames and wide publicity of procurement opportunities.</p>	H
1(d)	Rules on participation	<p>High bid security requirement, including for consultants.</p> <p>Foreign firms required to have a representative in the country. This may have an impact on their participation in procurement processes.</p>	H	<p>Use IFAD Guidelines and template.</p> <p>NB: The concerns on high bid security and local representation have been addressed in the updated Regulamento nº. 79/2022 which will come into effect 3 months after publication (i.e June 2023 - For Bid security the new law has increased the thresholds for and for lower values it provides the option of a Bid Security Declaration.).</p> <p>The public will be able to access Procurement Plans from MEF)</p>	H
1(e)	Procurement documentation and specifications	<p>No provision for use of functional specifications in the Regulamento.</p> <p>Although the Regulamento prohibits the use of brand names, it does not require the recognition of</p>	H	<p>Use the most appropriate type of specification depending on the requirement.</p> <p>Where the item cannot be described without using a brand name, always</p>	H

		standards that are equivalent when neutral specifications are not available.		recognize equivalent standards. NB: The two issues have been addressed in the new law.	
1(f)	Evaluation and award criteria	The Regulamento is silent on disclosure of confidential information on examination, clarification and evaluation of bids	H	Ensure evaluators are sensitized on maintaining confidentiality during the evaluation and award process and that they always sign the IFAD Declaration of Impartiality and confidentiality. NB: Confidentiality has been addressed in the new law.	H
1(g)	Submission, receipt and opening of tenders	The Procurement Regulation does not contain specific provisions on records of proceedings for opening of proposals in case of consulting services and the disclosure of sensitive information regarding bids.	S	Ensure that bids are opened within reasonable time of bid closing time and bid opening minutes are maintained. Further, ensure that those involved in the adjudication process commit in writing to keep sensitive information on the process confidential. Note: This has also been addressed in the new law.	S
1(h)	Right to challenge and appeal	The Regulamento does not provide for: i) an administrative body independent of the contracting authority for the review of procurement appeals/complaints. ii) detailed procedures for submitting complaints, iii) , for deciding on complaints, and iv) the remedies that may be granted.	H	Use IFAD Procurement Guidelines and SBDs which contain detailed protest and appeal procedures.	H

		The Procurement Regulation is silent with respect to the publication of applications for Hierarchical Appeal and related decisions			
1(i)	Contract management	The provisions of the Procurement Regulation on the extension of contracts for goods and services (Article 112(3)) are written in a broad manner and may lead to arbitrary limitation of competition.	H	Specifying the grounds based on which extensions of contracts for goods and services can be granted.	H
1(j)	Electronic Procurement (e-Procurement)	The regulation for e-procurement has not been adopted.	S	Use IFADs end-to-end procurement system. NB: New law provides for an e-procurement strategy.	S
1(k)	Norms for safekeeping of records, documents and electronic data.	Although the Manual contains a specific section on archiving which lists the main documents to be kept in the procurement records, information on what should be archived/kept in the procurement records is also contained in other sections of the Procurement Manual. There are not established security protocols to protect records.	S	Maintain a consolidated list of the procurement records in the specific section of the Project Implementation Manual (PIM) dedicated to procurement record keeping. Establish specific protocols in the PIM to protect records	S
1(l)	Public procurement principles in specialised legislation	Each SOE develops its own procurement regulations resulting in a “fragmentation” of the public procurement legal framework which may impinge on transparency.	H	Use the IFAD Procurement Guidelines to ensure transparency, effectiveness and equity of procurement outcomes.	H
2	Implementing regulations and tools support the legal framework				

2(a)	Implementing regulations to define processes and procedures conditions	Implementing rules are not issued and/or updated in a timely manner	S	Use the IFAD Handbook which has detailed procedures for all the procurement processes.	S
2(b)	Model procurement documents for goods, works and services	The current version of SBDs in use were drafted in 2016. An update process is ongoing and it is expected to be finalized by end of March 2023. All the categories are not acceptable to IFAD as they have several gaps which need to be included such as lack of policies or clauses on sexual harassment, exploitation and abuse; Lack of clauses on Money laundering and terrorist financing; abnormally low bids; SECAP performance; ESMP; Self-certification form.	M	Continue use of IFAD SBD templates	M
2(c)	Standard contract	Current version is from 2016 and have some gaps, for example lack of SECAP and SHEA policies.	M	Use IFAD contract templates. Standard contract being updated together with the SBDs.	M
2(d)	User's guide or manual for procuring entities (insert link to manual if possible)	The Procurement Manual has some inconsistencies instructions in some parts (for example regarding debarment) which are contrary to what is provided for in the Procurement Regulation. The Procurement Manual is not updated in a timely manner.	M	Develop the procurement section of the PIM with up to date procedures for the procurement process which are acceptable to IFAD and seek a NO for their implementation.	M
3	The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations				

3(a)	Sustainable Public Procurement (SPP)	<p>The Procurement Regulation allows for sustainability considerations to be taken into account in certain stages of the procurement cycle. However, it is silent with regard to the incorporation of sustainability considerations in all stages of the procurement cycle. There is no SPP implementation plan in place.</p> <p>The Procurement Regulation does not contain specific provisions which require a well-balanced application of sustainability criteria to ensure value for money.</p>	S	Follow the IFAD guidelines on SECAP and sustainability.	S
3(b)	Obligations deriving from international agreement	<p>No specific public procurement obligations deriving from Mozambique's membership of SADC.</p> <p>However, the Regulamento allows international organizations carrying out projects financed by multilateral financing institutions or from an official cooperation agency when their conclusion requires the adoption of specific procurement rules.</p>	M	Project to use the Special Regime of the Regulamento.	M
Consolidated findings for Pillar I		Pillar I has gaps/weaknesses that impact competition and transparency.	H		H
OECD Pillar II – Institutional Framework and Management Capacity					
4	The public procurement system is mainstreamed and well-integrated with the public financial management system				

4(a)	Procurement planning and the budget cycle	Necessary resources provided by Treasury on a timely basis and multi-annual commitments not monitored; consistent update of procurement plans not done for the budget planning purpose.	H	Prepare procurement plans aligned to annual work plans, ensure there are adequate fund before execution and monitor their implementation on a regular basis.	H
4(b)	Financial procedures and the procurement cycle	Approval and certification of payment processes are not followed especially for works contracts. Penalties for delays are not paid.	H	Make payment only after works are certified by Contract Managers. Implement contract terms and conditions including triggering penalties in case of delays.	H
5	The country has an institution in charge of the normative/regulatory function				
5(a)	Status and legal basis of the normative/regulatory institution function	The Procurement Regulation does not specify in a clear manner which institution/level in MEF is vested with normative/regulatory function in the field of public procurement including drafting, amending/revising the public procurement legal and regulatory framework and Regulations.	H	Maintain regular consultations with the MEF to stay informed of any changes in the regulations.	H
5(b)	Responsibilities of the normative/regulatory function	UFSA Training Program does not contain in-depth procurement integrity training. There is no professionalization of the procurement function.	H	Ensure procurement officer/s and the PMU staff are trained on integrity and ethical issues and prohibited practices. Procurement staff to enroll for BuildPro certification.	H

5(c)	Organisation, funding, staffing, and level of independence and authority	UFSA does not have the appropriate authority consistent with its regulatory body functions and it is not adequately resourced to effectively discharge its responsibilities.	H	Ensure that the PMU has adequate procurement staff capacity to carry out project procurement functions.	H
5(d)	Avoiding conflict of interest	Addressed/met	L	Sign declarations of impartiality and confidentiality	L
6	Procuring entities and their mandates are clearly defined.				
6(a)	Definition, responsibilities and formal powers of procuring entities	Number of procurement entities (UGEAs) not clear and the regulamento is silent on their approval authority and accountability for procurement transactions.	H	Define clear roles and accountabilities for procurement staff. Establish clear financial delegation of authority in the PMU.	H
6(b)	Centralized procurement body	Fragmentation of procurement for recurrent goods, especially for medicines and textbooks.	S	Aggregate procurement requirements for similar items to benefit from scale and ensure value for money. NB: Issue of fragmentation has been addressed in the new law by requiring aggregation in procurement planning.	S
7	Public procurement is embedded in an effective information system				
7(a)	Publication of public procurement information supported by information technology	There is no centralized portal and published information is fragmented and not sufficient and comprehensive enough to monitor public procurement outcomes and performance. The UFSA portal does not have comprehensive and updated information	H	Ensure procurement information regarding procurement plans, tenders, protests and challenges, contracts, and contract amendments is updated and comprehensive enough to monitor public procurement	H

				outcomes and performance.	
7(b)	Use of e-Procurement	End to end e-procurement is not available in Mozambique, technical assistance needed to establish and elaborate on e-procurement system and a capacity building strategy and road map.	H	Use the IFAD end to end system.	H
7(c)	Strategies to manage procurement data	Only general information on procurement methods and values is available on UFSA website. There is no system in place managing data for the entire procurement process to allow for comprehensive analysis of trends, level of participation, efficiency and economy of procurement and compliance with requirements	S	Maintain comprehensive records/information to analysis of trends, efficiency and economy of procurement and compliance with IFAD requirements.	S
8	The public procurement system has a strong capacity to develop and improve				
8(a)	Training, advice and assistance	Training Programme is not updated, advice to UGEAs is limited and there is weak support at the decentralized level.	H	Ensure PMU procurement staff are regularly trained and possess the appropriate skills to undertake their responsibilities.	M
8(b)	Recognition of procurement as a profession	Procurement is not a profession and the certification program although designed is not approved and implemented.	S	Recruit procurement specialist/s with experience in public procurement and project procurement experience. Obtain additional training on IFAD procurement	S

				Guidelines and Policies.	
8(c)	Monitoring performance to improve the system	No consistent performance monitoring system. While Procurement methods at the national level are monitored by UFSA there is no comprehensive performance monitoring system at national and UGEA level	H	Have in place a performance monitoring system with key performance indicators to measure procurement outcomes.	H
Consolidated findings for Pillar II		There is lack of consistent enforcement of the legal and regulatory framework	H		H

OECD Pillar III – Public Procurement Operations and Market Practices					
9	Public procurement practices achieve stated objectives				
9(a)	Procurement Planning	Procurement decisions not based on market analysis and risks. There are no realistic market prices and no sufficient knowledge to apply sustainability criteria and methodology.	H	Adopt a risk-based approach to procurement planning. Train procurement staff on sustainability and SECAP.	H
9(b)	Selection and contracting	The procurement method not always justified. Not all awards are published as per <i>Reglamento</i> . The sustainability criteria and methodology are not fully disseminated and understood by users.	S	Use appropriate methods for each procurement case ensuring competition, transparency, equity and value for money. Create awareness on sustainable procurement among stakeholders. Incorporate sustainability criteria and requirements in tenders and	S

				contracts respectively.	
9(c)	Contract management in practice	Weak contract management with several implementation gaps in supervision, payment of invoices, quality control, preparation of contract amendments, and coordination among various units involved.	H	Ensure an effective contract administration and management system. Keep an updated record of all contracts in CMT.	H
10	The public procurement market is fully functional				
10(a)	Dialogue and partnerships between public and private sector	Lack of comprehensive engagement with the private sector and/or communication/training programs from the private sector perspective.	S	Sensitize private sector on how to do business with the project.	S
10(b)	Private sector's organisation and access to the public procurement market	There are no mechanisms in place to address private sector constraints and boost the private sector participation.	S	Engage the sector on a regular basis by providing timely information on available or upcoming procurement activities.	S
10(c)	Key sectors and sector strategies	UFSA strategy is not explicitly linked to strategic sectors, as identified by the Government, hence there are not sector related risks and opportunities assessments	M	Do market scoping/analysis for commonly used items and services and establish the opportunities and risks prevalent in the Projects source market(s).	M
Consolidated findings for Pillar III		There is a risk of lower competition and inefficiency in the procurement process due to limited access to information by market participants.	H		H

OECD Pillar IV – Accountability, Integrity and Transparency of the Public Procurement System					
11	Transparency and civil society engagement strengthen integrity in public procurement				
11(a)	Enabling environment for public consultation and monitoring	The consultation process in both breadth and depth is not systematic and there are no capacity building programs tailored to other stakeholders than UGEAs	H	Engage the private sector on how to do business with the project including sensitization on bidding opportunities/requirements and IFAD prohibited policies. Encourage transparency and accountability and be open to scrutiny by stakeholders including the civil society	H
11(b)	Adequate and timely access to information by the public	Information is scattered and therefore not easily accessible.	S	Maintain centralized information repository/portal and ensure it is readily available to stakeholders.	S
11(c)	Direct engagement of civil society	No provision in the bidding documents allowing other than bidders to participate in the public stages of the procurement process.	M	Allow other stakeholders like vendors and civil society to participate in procurement for observation and monitoring purposes.	M
12	The country has effective control and audit systems				
12(a)	Legal framework, organisation and procedures of the control system	TA includes procurement in its compliance audits however resources (funding and procurement expertise) is lacking for carrying out consistent audit and effective follow up.	H	N/A	H

12(b)	Co-ordination of controls and audits of public procurement	Internal controls performed by provincial and local inspectorates and there is no evidence that internal and external audits are conducted at least annually	H	Ensure the project is audited annually by external independent auditors.	H
12(c)	Enforcement and follow-up on findings and recommendations	There is no consistent follow up on the implementation of the recommendations. Availability of resources is a critical issue; need for more cooperation.	H	Ensure matters arising from the audit are addressed in a timely manner	H
12(d)	Qualification and training to conduct procurement audits	There are not sufficient auditors trained/or support available for procurement audit and to ensure a uniform interpretation of the audit findings	H	Ensure auditors are competitively selected and that the appointed auditors have adequate skills to undertake comprehensive audit of procurement activities.	H
13	Procurement appeals mechanisms are effective and efficient				
13(a)	Process for challenges and appeals	No legal provisions on the enforceability of the appeals body decisions. No information available on the complaints/appeals (including enforced decisions).	H	N/A	H
13(b)	Independence and capacity of the appeals body	there is no independent appeals body at administrative level.	H	N/A	H
13(c)	Decisions of the appeals body	There are no normas complementares guiding the decision-making process of the appeal body.	H	N/A	H

14	The country has ethics and anti-corruption measures in place				
14(a)	Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability and penalties	Prohibited practices are defined and the associated responsibilities. However, there is no definitions on Anti-Money Laundering and Terrorist Financing, and Sexual Harrassment, Exploitation and Abuse (SHEA).	M	Incorporate IFAD policies on prohibited practices and on SHEA in all bid documents.	M
14(b)	Provisions on prohibited practices in procurement documents	The updated version of the bidding documents (SBD) and standard contracts have not been issued yet.	M	Incorporate IFAD policies on prohibited practices and on SHEA in all bid documents.	M
14(c)	Effective sanctions and enforcement systems	There are no implementing rules/ <i>normas complementares</i> for debarment issued by UFSA as per Art. 281.2 of the <i>Reglamento</i> . While the intent is for UFSA to debar the language in the <i>Reglamento</i> is sometimes confusing.	H	Project to follow the IFAD Guidelines in the anti-corruption policy following the 'Agreement for Mutual Enforcement of Debarment Decisions' as per the IFAD Policy on Prohibited Practices.	M
14(d)	Anti-corruption framework and integrity training	Perception is low regarding the effectiveness of the implementation of anti-corruption regulations. Implementing units do not consistently report the cases the anti-ethical and illicit practices as required in the <i>Reglamento</i> .	H	Where necessary consistently apply sanctions for violation of integrity requirements and publize them.	H
14(e)	Stakeholder support to strengthen integrity in procurement	There is no consistent oversight of procurement from the CSOs as third party monitor. There is no evidence that private sector	H	IFAD project to publicise procurement opportunities to ensure wide availability of public procurement information	H

		companies have internal compliance measures.		which can in turn spur effective participation by stakeholders (citizens, private sector and civil society).	
14(f)	Secure mechanisms for reporting prohibited practices or unethical behaviour	No information on the enforcement of the whistle blower protection act to determine its effectiveness and the level of protection of the whistleblowers.	S	Project to encourage anonymous reporting of unethical practices. Where source is disclosed, keep it confidential.	S
14(g)	Codes of conduct/codes of ethics and financial disclosure rule	No systematic monitoring of COI in procurement. No information about financial disclosures by procurement officials. No reporting of beneficial ownership.	H	Ensure that evaluators disclose COI, and if any recuse themselves. For those where there is no conflict, they should sign declarations to that effect prior to commencement of evaluations.	H
Consolidated findings for Pillar IV		There is risk of potential increase in corruption due to lack of comprehensive information on public procurement to enable civil society and citizens' participation in monitoring public procurement activities.	H		H
Consolidated findings at country level based on the assessments above of OECD Pillars I-IV		[to be determined by the SPO]	[to be determined by the SPO]	[to be determined by the SPO]	[to be determined by the SPO]

Integrated country risk matrix

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Country context <i>The risks to the achievement of COSOP strategic objectives stemming from a country's context.</i>	Substantial	Substantial	
Political commitment <i>The risk that a country's political developments (i.e. upcoming elections, impending changes in government, high political instability/turnover/uncertainty, changing political priorities) result in delays and/or in a reversal of key political decisions and commitments (including approval and implementation of laws and regulations, and timely counterpart funding) underpinning the success of IFAD's engagement in the country</i>	Substantial	Substantial	<p>Due to the insurgency conflict in the northern Mozambique, the IFAD country team will seek continued engagement with the relevant ministries and contact persons to foster better coordination the implementing agencies. This will ensure efficient cooperation pertaining to planning, coordination and implementation of the project. In addition, IFAD is promoting a gradual expansion approach (aligned with UNDSS recommendations) of all project operations in the conflict affected areas.</p> <p>The ongoing gradual decentralization process and the establishment of dual Government Leadership structures at Provincial level (Provincial Governor - Elected and Secretary of State – Appointed) impacted negatively on the project's efficiency. In addition, according to the law, during the next elections (2024), this model will be further decentralized at District level. IFAD resources are implemented using a decentralized model through the Government budget and financial management system (e-SISTAFE), therefore reinforcing the use of national systems, as well as strengthening the capacity of the institutions at all levels. The IFAD support to the decentralization process will be hybrid, maintaining its support to the Government, as well as focusing on private sector and community based institutions.</p> <p>Interventions to community level with provision of strong support to improving agricultural productivity, market linkages and inclusive rural finance are also critical. In particular work with poor rural people (women and youth) to enable them grow and sell more food, increase their incomes, including capacity building that enables them to determine the direction of their own lives.</p> <p>Engage, support and strengthen the National Audit Office (Tribunal Administrativo) for regular auditing of IFAD supported investments, in accordance with the International Standards of Supreme Audit Institutions (ISSAI).</p> <p>Strengthen and reinforce the use of national systems, particularly e-SISTAFE (Government Financial Management System).</p>

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Governance <i>The risk that the country can suffer from governance breakdowns (lack of/weak political checks and balances; lack of/weak public auditing systems; lack of/weak transparent information on government rules, regulations, and decisions; lack of/weak standards to prevent fraud and corruption; lack of/poor quality/transparency of allocation of resources for rural development) which can negatively affect the achievement of COSOP's strategic objectives.</i>	High	Substantial	<p>Through the implementation of IFAD's "Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability", inclusive governance, transparency and accountability in development processes, including in associated grievance redress mechanisms, will be fostered. Information about the existence and functioning of such mechanisms will be made readily available to all stakeholders. Further, information regarding whistle-blower protection measures, and confidential reporting channels will be widely accessible in order to receive and address grievances appropriately, including allegations of fraud and corruption, and sexual exploitation and abuse.</p> <p>Institutional capacity-building at all levels and strengthening governance of programme stakeholders, particularly in the context of decentralization.</p>
Macroeconomic <i>The risk that macroeconomic policies (monetary, fiscal, debt management/sustainability, trade) are overall fragile, unsustainable, and/or vulnerable to domestic or external shocks, thus resulting in high inflation, low foreign exchange reserves, large fiscal deficits and debt distress. This could lead to government inability to mobilize counterpart funding, and to an overall adverse impact on market dynamics of value chains, (market prices and profit margins for IFAD's target groups)</i>	Substantial	Moderate	<p>According to the World Bank, Mozambique remains in at high risk of debt distress, with debt assessed to be sustainable in a forward-looking sense. Currency appreciation supported a drop in total public debt from 120 to 106.4 % of GDP between 2020 and 2021. The debt distress situation will improve, however the country will remain as high-risk debt distress, and to ensure debt sustainability, the authorities will continue maintaining prudent and sustainable debt management practices.</p> <p>Taking into account the country's debt unsustainability, last programme financing has been negotiated to be 80% as grant and 20% as loan on highly concessional terms. Currently, the financing terms are at 100% DSF grant.</p> <p>IFAD will continue its supporting the production and productivity increases and build sustainable and market-oriented value chains, as well as macro-economic stability.</p>
Fragility and security <i>The risk that the country is vulnerable to natural and man-made shocks including civil unrest, conflict, and/or weak governance structures and institutions.</i>	Substantial	Substantial	<p>Project designs will include contingency mechanisms, which are more flexible and timely, that can be incorporated in the projects.</p> <p>This mechanism will ensure the reduction of the project and beneficiary vulnerability to future climatic hazards. It constitutes a programmatic window for the integration of preventive and response measures and corresponding allocation of additional dedicated funding.</p>
Sector strategies and policies <i>The risks to the achievement of COSOP strategic objectives stemming from a country's sector-level strategies and policies.</i>	Substantial	Substantial	<p>Continue to engage IFAD to the in-country Policy Dialogue, with the Ministry of Agriculture, Fisheries, Finance and others and bring to the attention of the Senior Management the relevance of the country strategies and objectives.</p>

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Policy alignment <i>The risk that a country's strategies and policies governing the rural and agricultural sector are not sufficiently pro-poor and/or aligned to IFAD's priorities (e.g. on land, environment, climate, gender, indigenous peoples, nutrition, youth, private sector engagement), undermining IFAD COSOP strategic objectives.</i>	Substantial	Substantial	Leverage on Development Partners Group and IFAD country office in Mozambique to remain engaged with the MADER and restore country-level policy dialogue in a structured manner and support the design of sectoral strategies with clear milestones and indicators.
Policy development and implementation <i>The risk that the country's strategies and policies governing the rural and agricultural sector lack a sound evidence base, are not representative of rural peoples' organization's views, are not adequately resourced or supported by legal/regulatory frameworks, and/or are unsustainable, thus undermining the achievement of COSOP strategic objectives.</i>	Substantial	Moderate	IFAD projects will increasingly support the decentralization and deconcentration by providing resources at the district and community level, strengthening both the state, private sector and grassroots institutions. Interventions to community level with provision of strong support to improving agricultural productivity, market linkages and inclusive rural finance are also critical. In particular work with poor rural people (women and youth), to enable them to grow and sell more food, increase their incomes, including capacity building that enables them to determine the direction of their own lives.
Environmental, social and climate context <i>The risk that existing or possible future social, environmental and/or climate conditions and events may have adverse effects on food and nutrition security, agricultural productivity, access to markets, and/or the incidence of pests and diseases, resulting in increased vulnerability or deterioration of IFAD's target populations' livelihoods and ecosystems. And/or the risk that activities aimed at achieving COSOP strategic objectives may cause threats to biodiversity, cultural heritage, indigenous peoples, labour standards and working conditions, community health and safety, and/or lead to increased pollution, inefficient use of resources, and/or physical and economic resettlement.</i>	High	Substantial	<p>IFAD Interventions will analyse and minimise negative impacts through Environmental and Social Impact Assessments (ESIAs), site-specific Environmental and Social Management Plans (ESMPs) in line with IFAD's SECAP guidelines and Mozambique's legislation and decrees. The proposed structure for the Project Management Unit (PMU) has a provision for an environmental and social safeguards specialist who will be trained on IFAD's SECAP procedures to make sure that the project is complying with all the safeguards issues.</p> <p>In Blue and Green economies, IFAD will promote good practices by strengthening national regulations and guidelines to reduce potential negative impacts of agriculture, fisheries and aquaculture at farm level, revegetation and afforestation of degraded forestlands, adequate siting and use of appropriate technology in the development of irrigation schemes. Soil erosion control measures will include gully, bench terraces, use of gabions, stabilization of banks of canals, grass strips, sensitise farmers against use of fire to prepare the land and provide alternative mechanisms e.g. conservation agriculture and development of community-based natural resources management plans. Modern bioenergy technologies can offer a wide range of solutions that are appropriate to rural domestic energy needs (e.g. for cooking on Flexi-biogas) or to energy demand for productive uses (e.g. water pumping for irrigation). The promotion of renewable energy has the potential to diminish reliance on fossil fuels.</p> <p>Mainstreaming of adaptation measures – climate smart agriculture, resilient infrastructure, etc – throughout portfolio;</p> <p>Enhanced climate and weather information systems;</p>

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
			Establish a climate contingency, as part of the project budget for timely response in case of any recurrent emergency
Financial management <i>The risk that COSOP activities are not carried out in accordance with the provisions of IFAD's financial regulations and that funding is not used for the intended purpose with due regard to economy, efficiency and effectiveness.</i>	Substantial	Moderate	Public procurement stages were added to the electronic financial administration system (e-SISTAFE), and suppliers are now required to show valid commitment notes before delivering goods and services (MEFP). Ensuring that more spending is executed within e-SISTAFE will improve control, avoid over-commitment at the spending entity level, improve predictability and oversight, and reduce scope for extra budgetary arrears.
Organization and staffing <i>The risk that the level of development of the accountancy profession in the country is low, hence causing a short supply of professionally-qualified and well-trained personnel that can be engaged during project implementation</i>	Substantial	Moderate	Provision of retainer consultant backstopping support to the country teams. Conducting regular implementation support Missions, as well as regular capacity building of the staff. Provision of regular training and capacity building to the Government and PMUs in Financial Management.
Budgeting <i>The risk that national budget approval cycle is inefficient affecting prompt availability of resources to externally funded projects</i>	High	Substantial	Budget performance analysis should be extracted periodically for use in internal decision making as well as reporting to IFAD as part of interim financial reporting (IFRs).
Funds flow/disbursement arrangements <i>The risk that funds from multiple financiers disburse with delay due to cumbersome treasury arrangements or are diverted to finance fiscal deficit or economic shocks</i>	Substantial	Moderate	Going forward, it is likely that portfolio implementation will be accelerated. Project should also prepare cashflow forecasts every quarter and submit to IFAD as part of the interim financial reporting. Regular trainings to the PMTs, Ministry of Finance and Bank of Mozambique should take place to ensure that all are in the same level of understanding of the new disbursement arrangements.
Country internal controls <i>The risk that country systems, such as internal audit, are not adequate and may not provide appropriate control over IFAD resources, leading to the inefficient or inappropriate use of project resources</i>	Substantial	Moderate	Ensure that Government deploy regular internal audits to the projects operations. From 2022 onwards, project audits will be undertaken by the "Tribunal Administrativo" – National Audit's Office.
Accounting and financial reporting <i>The risk that country accounting and reporting systems are not adequate, leading to inaccurate or non-timely submission of financial information for decision-making</i>	Substantial	Moderate	Customization of E-SISTAFE almost completed (CoA, minimum reporting, transaction reporting); (ii) training to users. Ensure the use of the Interim Financial Reports (IFR) for better disbursement forecast; Ensure the updating of project PIMs in compliance with the Financing Agreements provisions and FM manuals

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
External audit <i>The risk that the supreme audit institution is not independent, capacitated or able to timely perform and submit the audit of IFAD-financed operations, leading to possible misrepresentation of the financial results or lack of proper oversight.</i>	Substantial	Moderate	From 2022 onwards, project audits will be undertaken by the "Tribunal Administrativo" – National Audit's Office.
Procurement issues <i>The risk of non-compatibility of project/programme procurement operations with the IFAD Project Procurement Framework (IFAD-PPF) and risk that inefficient or non-transparent procurement processes impact the achievement of the project/programme's intended objectives (outcomes and outputs).</i>	High	Moderate	
Pillar I. Legal, regulatory and policy framework <i>The risk that the implementing regulations that supplement and detail the provisions of the procurement decree are not updated regularly to allow adequate implementation of the decree and/or to address the identified gaps such as opportunities for the use of Direct Contracting (DC) and other less competitive methods that impact on competition and result in poor procurement outcomes, the unavailability of updated Standard Bidding Documents (SBDs) and operating guidelines for use by procurement implementing units.</i>	High	Moderate	<p>The project to use IFAD procurement Guidelines and Handbook to ensure competition among market participants until a time when the GoM SBDs are updated to a level that is acceptable to IFAD for use in IFAD-funded projects.</p> <p>Avoiding the use of DC since it is highly regulated and can only be used in exceptional circumstances as provided in the IFAD Procurement Guidelines and Procurement Handbook.</p>
Pillar II. Institutional framework and management capacity. <i>The risk that inefficient and inconsistent enforcement of the legal framework will result in poor procurement outcomes due to lack of adequate authority and resources for the lead procurement agency (UFSA) and the lack of professionalization of the procurement units/workforce.</i>	High	Moderate	<p>Provide capacity building support to the GoM for improved public procurement administration and to enhance the efficiency and effectiveness in:</p> <ul style="list-style-type: none"> i) strengthening of the technical capacity of the procurement units to carry out effective public procurement; ii) professionalizing procurement through capacity-building programs; and iii) enforcement and performance monitoring; <p>In the short term, procurement specialists in IFAD-funded projects should enrol in the IFAD procurement certification programme for project procurement BUILDPROC to enhance their skills.</p> <p>Implement regular review of NOTUS dossiers, CMT updates and the use of the IFAD integrated end to end procurement system.</p>

Integrated Country Risk Matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p>Pillar III. Public procurement operations and market practices <i>The risk that poor planning and lack of a strategic approach to procurement, for both recurrent and more complex procurement and weak contract management, quality control and late payment of invoices will negatively impact value for money.</i></p>	High	Moderate	<p>Adopt a rigorous planning and strategic approach to procurement, for both recurrent and more complex procurement. Ensure regular monitoring of implementation of planned activities, explaining significant delays and their causes, updating/upgrading the procurement plan as necessary.</p> <p>Building the capacity of PMU and users/technical units to plan and manage contracts using a risk-based approach; strengthening supervision and quality control.</p> <p>Registering all contracts on CMT and keeping contract data/status updated on a regular basis.</p>
<p>Pillar IV. Accountability, integrity and transparency of the public procurement system. <i>The risk that there may be loss of trust of the public procurement system by the stakeholders, in particular the bidders and private sector due to the absence of an effective enforcement of non-judicial dispute resolution mechanism (no independent appeals body at administrative level), non-implementation of audit findings/recommendations, and lack of comprehensive information on public procurement on a centralized portal to facilitate effective public and civil society participation.</i></p>	High	Moderate	<p>IFAD project to publicise procurement opportunities to ensure wide availability of public procurement information which can in turn spur effective participation by stakeholders (citizens, private sector and civil society), for example by publishing procurement plans and General Procurement Notices well in advance of procurement time, inviting the public to observe tender opening sessions, publishing bid awards and debriefing unsuccessful bidders.</p> <p>Arrange Business Opportunity Seminars to sensitise the private sector on how to do business with IFAD projects, how to participate and submit tender documents, how to register at the Cadastro/tender register, conditions for pre-qualification/post qualification.</p>