
President's memorandum
Proposed additional financing to
Republic of Mozambique
Inclusive Agrifood Value Chain Development
Programme

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Action: The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 56.

Technical questions:

Sara Mbago-Bhunu
Regional Director
East and Southern Africa Division
e-mail: s.mbago-bhunu@ifad.org

Jaana Keitaanranta
Country Director
East and Southern Africa Division
e-mail: j.keitaanranta@ifad.org

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Programme delivery team	
Regional Director:	Sara Mbago-Bhunu
Country Director:	Jaana Keitaanranta
Technical Lead:	Raul Munoz Castillo
Finance Officer:	Austin Tatah
Climate and Environment Specialist:	Marie-Ange Kigeme
Legal Officer:	Stephanie Turcot

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Republic of Mozambique
Executing agency:	Ministry of Agriculture, Environment and Fisheries
Total programme cost:	US\$200.27 million
Amount of original IFAD loan (PBAS)	US\$8.4 million
Terms of original IFAD financing:	Highly concessional (maturity period of 40 years, grace period of 10 years and fixed service charge as determined at the date of approval of the financing)
Amount of original IFAD Debt Sustainability Framework (DSF) grant:	US\$33.6 million
Amount of Rural Poor Stimulus Facility financing (grants I and II):	US\$1.7 million
Amount of Crisis Response Initiative financing (grants I and II):	US\$5.77 million
Amount of additional IFAD financing 1 (DSF grant):	US\$20.00 million
Amount of additional IFAD financing 2 (DSF grant):	US\$44.4 million
Amount of additional IFAD financing 3 (DSF grant):	US\$11.0 million
Cofinanciers:	African Development Bank (AfDB), Global Environment Facility (GEF), European Union Investing in Livelihood Resilience and Soil Health in African, Caribbean and Pacific Countries (EU-ILSA) programme
Amount of cofinancing:	AfDB: US\$33 million (parallel financing) GEF financing gap 2: US\$10 million EU-ILSA: US\$5.091 million
Terms of cofinancing:	Grants
Original contribution of borrower/recipient:	US\$4.90 million
Additional contribution 1 of borrower/recipient:	US\$0.61 million
Additional contribution 2 of borrower/recipient:	US\$9.48 million
Original contribution of participants:	US\$5.6 million
Additional contribution 1 of participants:	US\$0.33 million

Additional contribution 2 of participants:	US\$6.46 million
Amount of original IFAD climate finance:	US\$19.6 million
Amount of additional IFAD climate finance 1:	US\$11.257 million
Amount of additional IFAD climate finance 2:	US\$21.507 million (of which US\$1.539 million is a climate finance top-up)

I. Background and programme description

A. Background

1. The Inclusive Agrifood Value Chain Development Programme (PROCAVA) became effective in May 2020. The programme is being implemented in two phases: phase I from 2020 to 2025 and phase II from 2025 to 2030. Its completion and closure dates are June 2030 and December 2030, respectively.
2. The initial budget for phase I was US\$72.50million, comprising (i) an IFAD DSF grant of US\$33.6 million; (ii) an IFAD loan of US\$8.4 million; (iii) the Government's contribution of US\$4.9 million; (iv) US\$20.0 million from the Green Climate Fund (GCF); and (v) US\$5.6 million from participants and the private sector. Additionally, US\$1,698,945 was secured from the Rural Poor Stimulus Facility (RPSF) and US\$5,774,154 from the Crisis Response Initiative (CRI).
3. As the GCF resources did not materialize, a total of US\$20 million from the Twelfth Replenishment of IFAD's Resources (IFAD12) was deployed to bridge the gap, in addition to contributions from the Government and participants of US\$939,000. The total allocation for phase I was US\$80.8 million.
4. Phase II financing includes: (i) US\$44.4 million from the IFAD13 allocation; (ii) US\$11.0 million using cancelled funds from the Rural Enterprise Finance Project (REFP); (iii) US\$5.0 million from EU-ILSA; (iv) US\$33.0 million in parallel financing from the AfDB; (v) US\$10 million to be mobilized through the Global Environment Facility's ninth cycle (GEF-9); and (vi) contributions from the Government and participants (US\$9.5 million and US\$6.5 million respectively). The total envelope for phase II will be US\$156.0 million, including the remaining balance from phase I (US\$36.8 million). The total programme cost is US\$200.27million including the GEF (US\$10 million) and REFP (US\$11 million) gaps.
5. The proposed additional financing is to formalize the allocation of the US\$11 million cancelled from REFP.

B. Original programme description

6. **Programme goal and objective.** PROCAVA aims to contribute to poverty reduction, improved food and nutrition security, and resilient livelihoods for inclusive rural transformation. The programme's development objective is to increase net incomes from climate-resilient agrifood value chains (horticulture, red meat, poultry, cassava and legumes) for rural women, men and youth. The programme has four components: (i) production improvement and market linkages; (ii) market-related climate-resilient infrastructure; (iii) institutional and policy strengthening and implementation support, and (iv) disaster risk reduction and management.
7. There are three expected outcomes: (i) improved productivity, production and quality of targeted value chains; (ii) improved market access and performance of targeted value chains; and (iii) enhanced institutional capacity to deliver services.
8. The objectives and expected outcomes set at design cover both phases.

II. Rationale for additional financing

A. Rationale

9. PROCAVA has been successful in delivering its outcomes and its methodology for replication and scaling has proved effective. Under the proposed additional financing, the programme's goal, objectives, components, implementation and financial arrangements will remain unchanged.
10. According to the midterm review (MTR) assessment, the programme reached 167,224 households (137 per cent of the midterm target and 79 per cent of the

initial endline target). With the additional resources from AfDB and EU-ILSA, the total outreach for phase II is expected to be 255,000 households.

11. PROCAVA's likelihood of achieving development objectives is rated 4.58 and its overall implementation performance is rated 4.5. The disbursement rate is highly satisfactory (6), and several other indicators are rated satisfactory (5), including quality of programme management. This confirms that the implementation arrangements, programme management, and the ability to manage multiple funds are effective.
12. The financial management rating was (5) in 2024. However, during the MTR mission some shortcomings were identified and the rating dropped to (3). An improvement plan is in place, including monthly follow-up meetings by the Procurement and Financial Management Division.
13. PROCAVA remains relevant to the development priorities of both the Government and IFAD, contributing significantly to the country's National Development Strategy (2025–2044), the Strategic Plan for the Development of the Agricultural Sector 2030, and others.

Special aspects relating to IFAD's corporate mainstreaming priorities

14. In line with IFAD's mainstreaming commitments, the programme has been validated as:
 - Including climate finance
 - Youth-sensitive
15. **Climate change.** Mozambique is increasingly vulnerable to droughts, floods, cyclones and land degradation. This is exacerbated by its limited adaptive capacity, growing population and dependence on natural resources.
16. **Gender and social inclusion.** Mozambique's Gender Inequality Index stood at 0.479 in 2023. Women have lower literacy levels and female heads of household are more likely than men to have no formal education.
17. **Youth.** While the youth labour force is steadily growing, the creation rate of new formal jobs remains static.
18. **Nutrition.** Mozambique continues to depend on food imports to satisfy a large portion of its domestic needs. In 2023, food imports accounted for 40 per cent of the country's import bill.

B. Description of geographical area and target groups

19. **Geographical area.** PROCAVA will be implemented in 87 districts from all provinces of the country: 75 districts from phase I and an additional 12 for phase II (AfDB financing and Accumulating Savings and Credit Associations).
20. **Target groups.** To avoid elite capture, PROCAVA uses direct targeting and self-targeting strategies, supported by empowering and enabling measures. Phase II will continue to ensure that women, youth and persons with disabilities have access to programme benefits.

C. Components, outcomes and activities

21. The programme components and subcomponents remain unchanged, except for component 4, which will be transformed into the "response to emergency and disaster (RED)" component. The proposed additional financing will contribute to the programme components as shown below:
22. **Component 1 – production improvement and market linkages:** (i) reinforce the Government's agricultural research capacity with infrastructure and equipment, and by engaging CGIAR centres; (ii) strengthen the capacity of the National

Directorate of Agrarian Health and Biosafety to support seed systems; and (iii) promote savings and credit groups and financial services.

23. **Component 2 – market-related climate-resilient infrastructure:** (i) invest in small-scale irrigation; (ii) promote irrigation schemes for certified seed production; (iii) engage the private sector for irrigation operation and maintenance; and (iv) promote small-scale rainwater harvest structures.
24. **Component 3 – institutional and policy strengthening and implementation support** remains a cross-cutting component supporting the technical components.
25. **Component 4 – disaster risk reduction and management** will be transformed into a RED component with an allocation of up to 60 per cent of the unallocated category.

D. Costs, benefits and financing

Programme costs

26. The budget for phase I was originally estimated at US\$72.45 million, later increasing to US\$80.8 million upon receipt of RPSF and CRI grants. The phase I budget now totals US\$156.0 million, including: US\$109.4 million in additional financing from IFAD13, AfDB, EU-ILSA, the Government and participants; US\$36.8 million as the balance from phase I, and a financing gap of US\$10.0 million (expected cofinancing from GEF resources). This brings the overall envelope to US\$200.27million.
27. IFAD climate finance for this additional financing proposal is not needed, as these funds are from IFAD10, thus not eligible for validation.

Table 1

Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing</i>	<i>Additional financing 1</i>	<i>Additional financing 2</i>	<i>Additional financing 3</i>	<i>Total</i>
IFAD loan	8 400	-	-	-	8 400
IFAD DSF grant	33 600	20 000 *	44 400	11 000	109 000
GCF	20 000	(20 000)	-	-	-
Financing gap 1 (REFP)	-	-	11 000	(11 000)	-
Financing gap 2 (GEF-9)	-	-	10 000	-	10 000
AfDB	-	-	33 000	-	33 000
EU-ILSA	-	-	5 091	-	5 091
RPSF I and II	-	1 678	-	-	1 678
CRI I and II	-	5 774	-	-	5 774
Participants	5 600	333	6 464	-	12 397
Borrower/recipient	4 852	606	9 476	-	14 934
Total	72 452	8 391	119 431	11 000	200 274

* To cover the GCF gap.

Table 2.1

Additional financing: programme costs by component and subcomponent
(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>Additional IFAD DSF grant</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
1. Production improvement and market linkages				
Production and productivity improvement of selected commodities	2 824	100	2 824	26
Market linkage investments	4 000	100	4 000	36
2. Market-related climate-resilient infrastructure				
Water-related infrastructure	965	100	965	9
Market-led infrastructure	668	100	668	6
3. Institutional and policy strengthening and implementation support				
Institutional strengthening and policy support	513	100	513	5
Programme coordination and implementation support services	1 680	100	1 680	15
4. Disaster risk reduction and management				
Delivery of agriculture-related information through digital services	350	100	350	3
Total	11 000	100	11 000	100

Table 2.2

Programme costs (both phases) by component and subcomponent and financier

(Thousands of United States dollars)

Component/subcomponent	IFAD loan		IFAD DSF grant (original, 1 and 2)		Additional IFAD DSF grant 3		AfDB		Financing gap 2 (GEF)		EU-ILSA		Borrower/recipient		Participants		RPSF I and II		CRI I and II		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	In kind	%	In kind	%	Amount	%	Amount	%	Amount	%
1. Production improvement and market linkages																						
Production and productivity improvement of selected commodities	2 058	4	23 157	42	2 824	5	10 345	19	2 956	5	2 570	5	5 440	10	5 307	10	-	-	-	-	54 657	27
Market linkage investments	294	3	2 900	27	4 000	37	1 729	16	-	-	348	3	742	7	709	7	-	-	-	-	10 722	5
2. Market-related climate-resilient infrastructure																						
Water-related infrastructure	1 082	4	16 389	57	965	3	764	3	3 840	13	584	2	2 801	10	2 191	8	-	-	-	-	28 616	14
Market-led infrastructure	1 455	4	21 005	53	668	2	12 970	33	-	-	729	2	1 000	3	1 929	5	-	-	-	-	39 756	20
3. Institutional and policy strengthening and implementation support																						
Institutional strengthening and policy support	344	3	5 490	50	513	5	2 043	19	1 606	15	527	5	356	3	-	-	-	-	-	-	10 879	5
Programme coordination and implementation support services	3 166	7	28 424	65	1 680	4	4 667	11	645	1	333	1	4 594	11	-	-	-	-	-	-	43 509	22
4. Disaster risk reduction and management																						
Provision of nutrition-dense inputs and basic assets for production	-	-	8	-	-	-	-	-	-	-	-	-	0	2 261	29	738	9	4 831	62	7 838	4	
Facilitated access to markets and post-harvest technologies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190	17	943	83	1 133	1	
Delivery of agriculture-related information through digital services	0	-	628	20	350	11	482	15	952	30	-	-	-	-	-	750	24	-	-	3 164	1	
Total	8 400	4	98 000	49	11 000	5	33 000	16	10 000	5	5 091	3	14 934	7	12 397	6	1 678	1	5 774	3	200 274	100

Table 3.1
Additional financing: programme costs by expenditure category
 (Thousands of United States dollars)

<i>Expenditure category</i>	<i>Additional IFAD DSF grant</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Investment costs				
1. Funds	850	100	850	8
2. Works	2 005	100	2 005	18
3. Consulting services	30	100	30	0
4. Studies	72	100	72	1
5. Training	3 467	100	3 467	32
6. Equipment and materials	2 340	100	2 340	21
7. Meetings	54	100	54	0
7. Technical assistance	850	100	850	8
Total investment costs	9 668	100	9 668	88
Recurrent costs				
1. Travel costs	311	100	311	3
2. Operation and maintenance	116	100	116	1
3. Salaries	905	100	905	8
Total recurrent costs	1 332	100	1 332	12
Total	11 000	100	11 000	100

Table 3.2

Programme costs (both phases) by expenditure category and financier

(Thousands of United States dollars)

Expenditure category	IFAD loan		IFAD DSF grant (original, 1 and 2)		Additional IFAD DSF grant 3		AfDB		Financing gap 2 (GEF)		EU-ILSA		Borrower/recipient		Participants		RPSF I and II		CRI I and II		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	In kind	%	In kind	%	Amount	%	Amount	%	Amount	%
Investment costs																						
1. Funds	5	0	583	25	850	36	-	-	200	9	-	-	-	-	709	30	-	-	-	-	2 347	2
2. Works	2 238	4	31 261	57	2 005	4	8 912	16	3 708	7	1 313	2	2 564	5	2 474	5	-	-	68	-	54 545	37
3. Consulting services	-	-	1 663	53	30	1	670	22	238	8	115	4	364	12	-	-	6	0	32	1	3 118	2
4. Studies	-	-	330	26	72	6	296	23	71	6	31	2	68	5	407	32	-	-	5	0	1 279	1
5. Training	670	5	5 144	38	3 467	26	1 602	12	450	3	1 234	9	78	1	65		211	2	546	4	13 467	9
6. Equipment and materials	2 342	4	20 226	37	2 340	4	11 715	21	3 240	6	1 574	3	157	0	7 082	13	1 400	3	4 904	9	54 981	37
7. Workshop	-	-	28	20	-	-	105	76	-	-	-	-	-	-	-	-	6	4	-	-	138	0
8. Meetings	-	-	56	39	54	38	-	-	-	-	-	-	-	-	-	-	-	-	32	22	142	0
9. Technical assistance	93	0	8 186	42	850	4	6 575	34	1 413	7	752	4	426	2	974	5	18		27	-	19 313	13
Total investment costs	5 347	4	67 476	45	9 668	6	29 875	20	9 320	6	5 019	3	3 657	2	11 711	8	1 642	1	5 615	4	149 329	75
Recurrent costs																						
1. Travel costs	-	-	1 220	66	311	17	239	13	-	-	-	-	-	-	-	-	-	-	86	5	1 855	1
2. Operation and maintenance	4	0	760	20	116	3	386	10	36	1	-	-	2 447	65	-	-	-	-	-	-	3 749	3
3. Salaries	1 527	4	22 771	61	905	2	2 500	7	644	2	72	0	7 545	21	686	2	3	0	16	-	36 669	18
4. Allowances and benefits	-	-	1 178	95	-	-	-	-	-	-	-	-	-	-	-	-	33	3	30	2	1 241	1
5. Office and general expenses	1 522	20	4 596	62	-	-	-	-	-	-	-	-	1 284	17	-	-	-	-	27	-	7 430	3
Total recurrent costs	3 050	6	30 524	60	1 332	3	3 125	6	680	1	72	0	11 277	22	686	1	36	0	159	-	50 945	25
Total	8 400	8	98 000	49	11 000	5	33 000	16	10 000	5	5 091	3	14 934	7	12 397	1	1 678	1	5 774	3	200 274	100

Financing and cofinancing strategy and plan

28. Financing for phase II from IFAD13, EU-ILSA and AfDB has already been secured. There is still a financing gap of US\$21 million, which is expected to be covered by the GEF-9 financing (potentially starting in 2026), and the present request for the allocation of the REFP cancelled funds. Domestic contributions from the Government and participants are estimated at US\$23.1 million (15 per cent of the total budget).

Disbursement

29. A designated account in United States dollars will be opened at the Bank of Mozambique to receive IFAD13 funds. Funds will be recorded and processed through the Government's Electronic State Financial Administration System (e-SISTAFE) and will flow through the Government's Treasury Single Account (CUT) to the line ministry, and subsequently to the programme management unit (PMU) for implementation. Given the country's liquidity constraints and foreign exchange pressures, a hybrid disbursement approach will be adopted to ensure timely implementation and safeguard IFAD resources.
30. The lead project agency and PMU will maintain close coordination with the Ministry of Finance to monitor cash availability, counterpart funding releases and payment timelines. Designated account balances, withdrawal applications and outstanding payables will be closely monitored to prevent accumulation of payables and ensure smooth execution.
31. At the provincial and regional levels, payment processes are initiated in a decentralized manner through e-SISTAFE by the Ministry of Agriculture, Environment and Fisheries (MAAP) structures. However, no funds are held at provincial level, as all payments are executed centrally through the CUT at the Bank of Mozambique.
32. At the time of the MTR in June 2025, the programme had disbursed US\$53.1 million (85.7 per cent of IFAD financing), significantly exceeding the prorated sector benchmark of 50.08 per cent for a project at 49.27 per cent implementation duration. The current disbursement rating is highly satisfactory (6).

Summary of benefits and economic analysis

33. The unified economic and financial analysis (EFA) has been adjusted to consider the phase II implementation period, and the related incremental costs and benefits, taking account of: (i) current market prices for inputs and outputs; (ii) changes in farm yields; (iii) actual costs already incurred by the programme; and (iv) key logical framework indicators.
34. **Programme benefits.** The anticipated EFA benefits remain unchanged as per the original programme goal and development objectives. Financial benefits include increased farm productivity and increased financial returns for the targeted households. Social benefits include a reduction in poverty rates in the targeted areas, especially for disadvantaged groups.
35. **Results of the economic analysis.** The updated EFA indicates that the programme is still economically and financially viable, as it yields a higher baseline economic rate of return (ERR) of 23 per cent, with a positive net present value of US\$308.8 million (MZN 19.7 billion). The programme is still highly profitable from an economic standpoint. A sensitivity analysis indicates a high degree of resilience to increases in costs and reductions in benefits, as the programme would still yield an ERR of 22.3 per cent if benefits were reduced or costs increased by 10 per cent.

Exit strategy and sustainability

36. PROCAVA's exit strategy is anchored in five key pillars: (i) partnership building; (ii) capacity-building of farmers' organizations; (iii) scaling-up of interventions;

(iv) integration in other rural finance initiatives; and (v) joint implementation and hand-over of programme initiatives to the Government at central and district levels. The programme is training and equipping contact farmers in adopting improved practices and technologies. Farmers are also being equipped with skills to engage in market relations with various stakeholders actors. It is expected that farmers who formally own land (of which registration is supported by the programme) are more likely to continue using the improved practices introduced beyond the programme lifetime with support from the public extension network which currently leads implementation on the ground.

III. Risk management

A. Risks and mitigation measures

37. The programme risks include political, social and economic instability following the post-elections civil unrest. The economy has contracted, and the Government lacks liquidity, including foreign exchange, which impacts the ability of suppliers to import goods and services. In addition, the extreme vulnerability to climate events hampers programme results and impacts. The following institutional, economic, social and environmental risks were identified.

Table 4

Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	High	Substantial
Sector strategies and policies	Moderate	Moderate
Environment and climate context	High	Substantial
Programme scope	Moderate	Moderate
Institutional capacity for implementation and sustainability	Moderate	Low
Programme financial management	Substantial	Substantial
Programme procurement	Moderate	Moderate
Environment, social and climate impact	High	High
Stakeholders	Substantial	Moderate
Overall	Substantial	Moderate

B. Environment and social category

38. The initial Social, Environmental and Climate Assessment Procedures (SECAP) review note, which placed PROCAVA in category A, was developed based on the 2017 SECAP edition. The programme was re-screened using the SECAP 2021 edition to accommodate the new activities, new geographical areas and new cofinanciers. As result, the programme risk is now classified as substantial. Potential adverse impacts on the human population and the environment are likely to be localized, manageable or reversible and not likely to be significant.

C. Climate risk classification

39. The new screening classifies PROCAVA's climate risk as high, therefore a targeted adaptation assessment is recommended. AfDB is undertaking a climate analysis, which will include the districts covered by IFAD.

IV. Implementation

A. Compliance with IFAD policies

40. PROCAVA is fully aligned with the goals and objectives of the IFAD Strategic Framework 2016–2025 and other relevant policies and strategies.

B. Organizational framework

Management and coordination

41. MAAP is the lead agency responsible for implementation oversight. The Fund for Agricultural Promotion and Rural Extension (FAR, FP) has been delegated as lead implementing agency.
42. A national programme management unit has been established under the direct supervision of the Director-General of FAR, FP. The unit is responsible for PROCAVA's day-to-day management, and is led by a national programme coordinator. Programme management will also be delegated to three regional PMUs and one provincial PMU. For phase II, additional staff for AfDB and EU-ILSA will be hired.

Financial management, procurement and governance

43. **Financial management.** The financial management (FM) risk for PROCAVA is assessed as substantial at both the inherent and the residual level, primarily reflecting the country's macro-fiscal environment and the functioning of the public financial management (PFM) system. Mozambique operates a centralized PFM architecture, where budget execution, commitment control, and payment processing are conducted through the Government's integrated financial management system (e-SISTAFE), with cash resources managed through the CUT at the Bank of Mozambique.
44. Within this context, the FM arrangements require strengthening. The MTR found the quality of financial management to be moderately unsatisfactory, noting that the programme has not yet operationalized a dedicated accounting system. Financial records are maintained manually in Excel, limiting the reliability of the audit trail, increasing the risk of errors, and constraining timely and accurate financial reporting. While e-SISTAFE will be used for budget execution and payment processing in line with country systems, it does not fully meet IFAD's financial reporting requirements.
45. The programme will deploy and operationalize an off-the-shelf accounting software to complement e-SISTAFE, ensuring comprehensive recording of transactions, strengthened audit trails and production of interim financial reports in the IFAD-required format. Financial management risk assessments will be updated as part of annual supervision missions, to ensure that the systems provide adequate controls and that programme funds are properly managed.
46. Internal audit is currently carried out by the internal audit unit of FAR, FP; however, performance has been inconsistent, with limited coverage and irregular reporting. While recent improvements are noted, the function will be closely monitored, and recruitment of a dedicated internal auditor will be considered to ensure timely, comprehensive and risk-based assurance.
47. **Audit.** Although the Administrative Court has the legal mandate and institutional independence to audit public resources, including donor-funded projects, the programme will continue to rely on independent private auditors in the short-to-medium term. This approach reflects practical considerations related to capacity constraints, audit backlogs and the need to ensure timely submission and quality of audit reports in line with IFAD requirements. While the use of the Supreme Audit Institution remains a long-term objective to strengthen country systems, a transition from private auditors is not envisaged in the near future to avoid disruptions to fiduciary assurance and reporting timelines.
48. **Procurement.** The legal framework for public procurement in Mozambique is currently governed by decree 79/2022, which establishes the procurement principles and procedures to be applied in any procurement by public authorities and institutions governed by public law, under public control or using public funds.

49. **Governance.** Programme governance is led by the national programme steering committee. While primary responsibility for the enforcement of good governance rests with the Government of Mozambique, all stakeholders were made aware that IFAD applies a zero-tolerance policy towards fraudulent, corrupt, collusive or coercive actions in IFAD-financed programmes.

C. Monitoring and evaluation, learning, knowledge management and strategic communication

50. PROCAVA's monitoring and evaluation (M&E) is conducted through an online system, which is also used at the regional level. For phase II, the programme will integrate all financiers within the same M&E system.
51. **Knowledge management.** The programme design includes features to foster learning and knowledge-sharing in target communities, with the Government and with other stakeholders.

D. Proposed amendments to the financing agreement

52. An amendment to the financing agreement will be necessary to formalize the allocation of the additional US\$11 million cancelled from REFP.

V. Legal instruments and authority

53. A financing agreement between Republic of Mozambique and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. The signed financing agreement will be amended following approval of the additional financing.
54. Republic of Mozambique is empowered under its laws to receive financing from IFAD.
55. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

56. I recommend that the Executive Board approve additional financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a Debt Sustainability Framework grant to the Republic of Mozambique in an amount of eleven million United States dollars (US\$11,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario
President

Updated logical framework incorporating the additional financing

Results Hierarchy	Indicators								Means of Verification			Assumptions		
	Name	Baseline	Mid-Term	End Target	End Target (New)	IFAD	AfDB	EU-ILSA	Source	Frequency	Responsibility			
Outreach	<i>1.b Estimated corresponding total number of households members</i>								Project records, national statistics	Bi-annually	PMU	PMU and Implementing partners have Reliable M&E with a coding system to track beneficiaries at individual and household levels		
	Household members	0	608,250	1,059,500	1,275,000 ²	1,059,500	184,250	31,250						
	<i>1.a Corresponding number of households reached</i>								Project records, national statistics	Bi-annually	PMU			
	Households	0	121,650	211,900	255,000	211,900	36,850	6,250						
	<i>1 Persons receiving services promoted or supported by the project</i>								Project records, national statistics	Bi-annually	PMU			
	Females	0	76,180	108,800	135,000	108,800	23,075	3,125						
	Males	0	76,180	108,800	135,000	108,800	23,075	3,125						
Young	0	45,700	65,280	81,000	65,280	13,845	1,875							
Total number of persons receiving services	0	152,360	217,600	270,000	217,600	46,150	6,250							
Project Goal To contribute to poverty reduction, improved food and nutrition security and resilient livelihoods for inclusive rural transformation	<i>Percentage (Number) of rural people experiencing changes in economic status (10% or more) including income, food diversity or nutrition</i>								National Poverty Evaluation Report; Household surveys; Demographic Surveys; Vulnerability Assessment reports/Survey	Completion	MAAP ³ / DPP ⁴ , INE ⁵ , MF ⁶ , UNICEF, WFP, PMU	Stable political, social and macro- economic environment prevails		
	People	7	10	15	70	70	70	70						
	Females				89,250	74,250	13,000	2,250						
	Males				89,250	74,250	13,000	2,250						
	Young				53,600	44,600	7,800	1,400						
	<i>Number of people with strengthened resilience (20% or more)</i>								National Poverty Evaluation Report; Household surveys; Demographic Surveys; Vulnerability Assessment reports/Survey	Completion	MAAP/DPP, INE, MF, UNICEF, WFP, PMU			
	People		79,200	113,150	130,000	110,000	7,500	12,500						
	Females		39,600	56,575	65,000	55,000	3,750	6,250						
	Males		39,600	56,575	65,000	55,000	3,750	6,250						
	Young		23,760	33,945	40,000	33,000	2,300	4,700						
	Development Objective To increase net income from climate resilient Agri-food value chains by rural women, men and youth	<i>Percentage of increased household farm incomes</i>								Core Outcome Indicator (COI) Survey	Baseline, MTR, completion		MAAP/DPP, INE, MF	The ongoing political and economic commitment in investing in the agricultural sector by government maintained
		Young			203,063	60,000	40,000	10,000	10,000					
		Women-headed households			9,025	90,000	60,000	20,000	10,000					
		Increase in income		50	150	150	150	150	150					
Outcome 1.1 Smallholders productivity, production and quality of targeted value chains	<i>Percentage of persons/households reporting an increase in productivity</i>								Annual Production Surveys, MAAP Annual Reports, thematic studies	Baseline, MTR, Completion	PMU	Communities participate actively in interventions made; Farmers have adequate resources to acquire productive inputs;		
	Households	0	40	75	75	75	75	75						
	<i>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</i>								COI Survey	Baseline, MTR,	PMU			

Results Hierarchy	Indicators								Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	End Target (New)	IFAD	AfDB	EU-ILSA	Source	Frequency	Responsibility	
improved	Households		40	75	75	75	75	75		Completion		Stable weather conditions.
	Total number of household members		243,300	794,625	900,000	700,000	150,000	50,000				
	Males		24,300	79,425	90,000	70,000	15,000	5,000				
	Females		24,360	79,500	90,000	70,000	15,000	5,000				
	Young		7,300	23,900	54,000	42,000	9,000	3,000				
	Women-headed households		9,732	31,785	60,000	48,000	9,000	3,000				
	Households		48,660	158,925	180,000	140,000	30,000	10,000				
	<i>1.2.8 Women reporting minimum dietary diversity (MDDW)</i>								COI Survey	Baseline, MTR, Completion	PMU	
Women (number)		23,400	76,300	100,000	80,000	10,000	10,000					
<i>1.2.1: Households reporting improved access to land, forests, water or water bodies for production purposes</i>								COI Survey		PMU	Communities participate actively in land tenure activities;	
Households - Percentage (%)				20	20				Baseline, MTR, Completion			
Households - Households				51,000	51,000							
Females - Females				15,300	15,300							
Males - Males				15,300	15,300							
Young - Young people				15,300	15,300							
Persons with disabilities - Number				1,300	1,300							
Household members - Number of people				255,000	255,000							
Output	<i>1.1.3 Rural producers accessing production inputs and/or technological packages</i>									Project progress reports	Annual	PMU
1.1.1 Production and productivity-enhancing inputs and climate smart technological packages are made available to smallholder producers of selected crops and livestock commodities		0	76,160	108,800	135,000	108,800	23,075	3,125				
Females		0	76,160	108,800	135,000	108,800	23,075	3,125				
Males		0	45,696	65,280	81,000	65,280	13,845	1,875				
Young		0	152,320	217,600	270,000	217,600	46,150	6,250				
Output	Number of livestock production infrastructures constructed or rehabilitated								Project progress reports	Semi-Annual	PMU	
1.1.2 Livestock production related infrastructure established		0	72	144	150	150	0	0				
Output	<i>3.1.1 Groups supported to sustainably manage natural resources and climate-related risks</i>								Project progress reports	Semi-Annual	PMU	
1.1.3 Community-	Groups supported		17	43	43	43	0	0				

Results Hierarchy	Indicators								Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	End Target (New)	IFAD	AfDB	EU-ILSA	Source	Frequency	Responsibility	
based natural resources management plans (CBNRM) prepared and established in Meat VC												
Output	<i>1.1.1. Beneficiaries gaining increased secure access to land</i>								Project progress reports	Semi-Annual	PMU	
	Households - Households	0	0	0	45,000	45,000	0	0				
1.1.4 Improve access to land ownership	Males - Males	0	0	0	22,500	22,500	0	0				
	Females - Females	0	0	0	22,500	22,500	0	0				
	Persons with disabilities - Number	0	0	0	1,125	1,125	0	0				
	Young - Young people	0	0	0	13,500	13,500	0	0				
Outcome	<i>2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</i>								Project reports, Outcome/household surveys, Market surveys	Baseline, Mid-term and Completion reports	PMU	Communities participate actively in interventions made
1.2 Value chain linkages have improved between smallholder farmers and other value chain actors	Percentage of POs		20	50	50	50	50	50				
	<i>1.2.5. Use of rural financial services</i>								COI Survey	Baseline, mid-term, completion	PMU	Conducive regulatory framework for rural finance; Trust between financial service providers and value chain actors
	Households - Percentage (%)	32	36	36	50	50	50	50				
	Households - Households	86,400	97,200	97,200	135,000	108,800	23,075	3,125				
	Males - Males	43,200	48,600	48,600	67,500	54,400	11,538	1,563				
	Females - Females	43,200	48,600	48,600	67,500	54,400	11,538	1,563				
	Young - Young people	25,920	29,160	29,160	40,500	32,640	6,923	938				
	Persons with disabilities - Number	2,160	2,430	2,430	3,375	2,720	577	78				
Output	<i>2.1.3 Rural producers' organizations supported</i>								Project progress reports	Semi-Annual	PMU	
1.2.1 Smallholder farmers organisational, technical and business management skills are strengthened	Rural POs supported		500	700	2,500	2,000	400	100				
	<i>1.1.8 Households provided with targeted support to improve their nutrition</i>											
	Households		38,928	67,808	100,000	80,000	10,000	10,000				
Output	<i>3.1.2 Persons provided with climate information services</i>								Project progress reports	Semi-Annual	PMU	
1.2.2 Climate, weather and market information system is developed and operational	Females		14,960	37,400	40,000	35,000	5,000	0				
	Males		14,960	37,400	40,000	35,000	5,000	0				
	Persons provided with climate information services		29,920	74,800	80,000	70,000	10,000	0				

Results Hierarchy	Indicators								Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	End Target (New)	IFAD	AfDB	EU-ILSA	Source	Frequency	Responsibility	
Output	<i>Policy 2 Functioning multi-stakeholder platforms supported</i>								Project progress reports	Semi-Annual	PMU	Conducive regulatory framework for contract enforcement; Trust among smallholder farmers and different stakeholders in the targeted value chains; Balanced negotiation power for win-win partnerships.
1.2.3 Value chain platforms are established and strengthened	Number		38	75	87	75	12	0				
Output	<i>CI 1.1.5: Persons in rural areas accessing financial services (savings, credit, insurance, remittances, etc.)</i>								Project progress reports	Semi-Annual	PMU	Conducive regulatory framework for contract enforcement; Adequate capacity of private sector and service providers on infrastructure development; Communities participate actively in infrastructure development, operation and maintenance
1.2.4 Value chain actors have improved access to inclusive financial services	Households - Households	0	0	0	40,000	32,000	8,000	-				
	Males - Males	0	0	0	20,000	16,000	4,000	-				
	Females - Females	0	0	0	20,000	16,000	4,000	-				
	Persons with disabilities - Number	0	0	0	1,000	800	200	-				
	Young - Young people	0	0	0	12,000	9,600	2,400	-				
Outcome	<i>2.2.6 Households reporting improved physical access to markets, processing and storage facilities</i>								Project progress reports	Baseline, Mid-term and Completion reports	MAAP/DPP, PMU	Conducive regulatory framework for contract enforcement; Adequate capacity of private sector and service providers on infrastructure development; Communities participate actively in infrastructure development, operation and maintenance
2. Market-related climate resilient infrastructure has improved	Households reporting improved physical access to markets		20	50	50	50	50	50				
	Males		18,050	45,125	65,000	55,000	10,000	0				
	Females		18,050	45,125	65,000	55,000	10,000	0				
	Young		79,420	194,940	40,000	30,000	10,000	0				
	Women-headed households		7,220	18,050	36,000	27,000	9,000	0				
	<i>Households reporting improved physical access to processing facilities</i>		20	50	20	20	20	20				
	Males		18,050	45,125	25,500	21,500	3,500	500				
	Females		18,050	45,125	25,500	21,500	3,500	500				
	Young		10,830	27,075	15,300	12,900	2,100	300				
	Women-headed households		7,220	18,050	13,800	11,600	1,900	300				
	<i>Households reporting improved physical access to storage facilities</i>		4	8	20	20	20	20				
	Males		18,050	36,100	25,500	21,500	3,500	500				
	Females		18,050	36,100	25,500	21,500	3,500	500				
Young		10,830	21,660	15,300	12,900	2,100	300					
Women-headed households		1,444	2,888	13,800	11,600	1,900	300					
<i>Households reporting improved physical access to markets</i>		36,100	90,250	130,000	110,000	18,000	2,000					
<i>Households reporting improved physical access to processing facilities</i>		36,100	90,250	51,000	43,000	7,000	1,000					
<i>Households reporting improved physical access to storage facilities</i>		7,220	14,440	51,000	43,000	7,000	1,000					
Output	<i>1.1.2 Farmland under water-related infrastructure constructed/rehabilitated</i>								Project progress reports	Semi-annual	PMU	
2.1 Water-related	Hectares of land	0	1,500	3,000	3,000	2,230	645	125				

Results Hierarchy	Indicators								Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	End Target (New)	IFAD	AfDB	EU-ILSA	Source	Frequency	Responsibility	
infrastructure rehabilitated or Constructed												
Output	<i>2.1.6 Market, processing or storage facilities constructed or rehabilitated</i>								Project progress reports	Semi-annual	PMU	
2.2 Market-led value chain infrastructure rehabilitated or constructed	Market facilities constructed/rehabilitated	0	14	20	73	46	23	4				
	Processing facilities constructed/rehabilitated	0	22	50	74	55	19	0				
	Storage facilities constructed/rehabilitated	0	2	4	32	18	8	6				
Outcome	<i>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</i>								Project reports, outcome surveys	Baseline, Mid-term and Completion reports	PMU	Favorable regulatory framework and enabling environment
3. Institutional and policy framework for inclusive and climate-resilient value chain development has improved	Number	0	5	7	7	4	2	1				
Output	<i>Number of staff of public and private entities trained on project implementation, gender and land tenure security</i>								Project progress reports	Annual	PMU	
3.1 Institutional capacities (public, private and PO) strengthened for effective functioning of the targeted value chains	Staff of public and private entities	0	1,000	1,500	2,000	1,000	800	200				
Output	<i>Policy 1 Policy-relevant knowledge products completed</i>								Project progress reports	Semi-annual	PMU	
3.2 Policies and strategies developed for the effective and structure development of targeted VC	Number	0	5	7	7	4	2	1				

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³Ministry of Agriculture, Environment and Fisheries (MAAP)⁴Directorate on Planning and Policies(DPP) ⁵National Institute for Statistics(INE) ⁶Ministry of Finance (MF)

Updated summary of the economic and financial analysis

Table A
Financial cash flow models

		Farm/off-farm models' net incremental benefits (in MZN)											
		Horticulture (Tomatoes, Green)	Horti. With shadenets (Tomatoes,	Maize and Potato farm	Legume Farm (Dry beans,	Cassava Farm	Cassava Processing Unit	Livestock - Cattle Production	Free Range Chicken	Semi Commercial Chicken Small	Cattle Feedlot	Slaughter House	Retail Market Facility
							MZN '000				MZN '000	MZN '000	
	PY1	7,081	(65,035)	(4,974)	(11,798)	2,708	(1,904)	(16,084)	(13,405)	(24,875)	(21)	14,701	(251,131)
	PY2	51,800	110,616	1,519	(5,163)	3,738	1,516	(9,365)	12,253	5,109	812	17,231	35,732
	PY3	103,846	296,150	25,160	4,581	8,470	1,658	2,495	11,828	9,713	1,201	19,201	35,732
	PY4	103,846	291,301	37,363	14,326	9,379	1,924	19,426	10,903	28,060	1,396	22,152	35,732
	PY5	103,846	312,948	37,363	14,326	10,913	1,811	36,357	12,403	34,952	1,396	22,152	35,732
	PY6	103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	29,952	1,396	23,344	35,732
	PY7	103,846	312,948	37,363	14,326	10,913	1,924	53,954	9,903	33,752	1,396	23,344	35,732
	PY8	103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	34,952	1,396	23,344	35,732
	PY9	103,846	312,948	37,363	14,326	10,913	1,811	53,954	12,403	34,952	1,396	23,344	35,732
	PY10	103,846	312,948	37,363	14,326	10,913	1,811	53,954	10,903	33,752	1,396	23,344	35,732
	PY11	103,846	312,948	37,363	14,326	10,913	1,811	53,954	12,403	34,952	1,396	23,344	35,732
	PY12	103,846	312,948	37,363	14,326	10,913	1,924	53,954	10,903	33,752	1,396	23,344	35,732
	PY13	103,846	312,948	37,363	14,326	10,913	1,811	53,954	12,403	29,952	1,396	23,344	35,732
	PY14	103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	34,952	1,396	23,344	35,732
	PY15	103,846	312,948	37,363	14,326	10,913	1,811	53,954	9,903	33,752	1,396	23,344	35,732
	PY16	103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	34,952	1,396	23,344	35,732
	PY17	103,846	312,948	37,363	14,326	10,913	1,924	53,954	10,903	33,752	1,396	23,344	35,732
	PY18	103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	34,952	1,396	23,344	35,732
	PY19	103,846	312,948	37,363	14,326	10,913	1,811	53,954	12,403	34,952	1,396	23,344	35,732
	PY20	103,846	312,948	37,363	14,326	10,913	1,924	53,954	10,903	28,752	1,396	23,344	35,732
		103,846	312,948	37,363	14,326	10,913	1,811	53,954	12,403	34,952	1,396	23,344	35,732
		103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	34,952	1,396	23,344	35,732
		103,846	312,948	37,363	14,326	10,913	1,811	53,954	9,903	33,752	1,396	23,344	35,732
		103,846	312,948	37,363	14,326	10,913	1,811	53,954	13,403	34,952	1,396	23,344	35,732
	IRR/**	#DIV/0!	251%	210%	49%	#DIV/0!	87%	64%	89%	64%	3980%	NA	13%
	NPV (\$)	436,480	931,047	101,143	34,616	35,090	4,860	90,264	32,645	66,880	4,566	89,668	43,421

Table B

Programme costs and logframe targets

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME				
TOTAL PROGRAMME COSTS (in million USD)			200.3	
Beneficiaries	1,275,000	people	255,000	Households
Cost per beneficiary	157	US\$/Person		785
				US\$/HH
Components and Cost (USD million)				
A. Production Improvement and Market Linkages	65.4			
B. Market-related Climate Resilient Infrastructure	68.4			
C. Institutional and Policy Strengthening and Implementation Support	54.4			
D. Disaster Risk Reduction and Management	12.1			
Total	200.3			

Table C

Main assumptions and shadow prices

C)	MAIN ASSUMPTIONS & SHADOW PRICES				
	Output	land Size	Yields (Annually) Kg		
			WOP	WP	Price (MZN)
	Horticulture (Tomatoes,)	1 Ha	27,300	48,000	18
	Horti. With shadenets Green Pepper)	1 Ha	8,500	12,800	20
	Maize and Potato farm	1 Ha	2,500	4,500	25
	Legume Farm (Dry beans, Soyabean, Sesame)	1 Ha	1,300	1,800	60
	Cassava Farm	1 Ha	7,100	18,000	3
	Cassava Processing Unit	Unit	-	75,000	30
	Livestock - Cattle Production	Heads	-	10	20,000
	Free Range Chicken Small Production	Birds	50	100	230
	Semi Commercial Chicken Small Production	Birds	-	500	230
	Cattle Feedlot	Heads	-	32	15,400
	Slaughter House	Kg		243,750	190
	Standard Conversion Factor	0.93	Discount rate on saving/deposit account		8%
	Labour Conversion Factor	0.88	Discount rate for Economic Analysis		10%

Table D
Beneficiary adoption rates and phasing

# Activity	Beneficiaries		Project Years										Total
	# Enterprises	HHs	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
Outreach (Lf)			670	38,003	45,004	59,106	24,441	33,237	26,312	17,173	7,560	3,494	255,000
1 Horticulture farm	9,000	10,432	27	1,555	1,841	2,418	1,000	1,360	1,076	703	309	143	10,432
2 Horticulture farm under shadenet	500	580	2	86	102	134	56	76	60	39	17	8	580
3 Maize and potatoes farm	12,100	14,025	37	2,090	2,475	3,251	1,344	1,828	1,447	945	416	192	14,025
4 Legume farm	45,000	52,159	137	7,773	9,205	12,090	4,999	6,798	5,382	3,513	1,546	715	52,159
5 Cassava farm	59,500	68,734	180	10,199	12,078	15,862	6,559	8,920	7,061	4,609	2,029	938	68,434
6 Cassava Processing Unit	20	232	1	35	41	54	22	30	24	16	7	3	232
7 Livestock production	82,000	94,688	249	14,112	16,711	21,948	9,076	12,342	9,770	6,377	2,807	1,298	94,688
8 Free Range Chicken small production	10,000	11,591	30	1,727	2,046	2,687	1,111	1,511	1,196	781	344	159	11,591
9 Semi-commercial Chicken production	1,900	2,202	6	324	384	505	209	284	225	147	65	30	2,177
10 Cattle mini feedlot	17	315	1	47	56	73	30	41	33	21	9	4	315
11 Slaughterhouse	3	42	0	10	12	16	6	9	7	5	2	1	67
12 Retail Market Facility (Unit of 30 People)	10							90	90	-	-	120	300
Total		255,000	669	37,958	44,951	59,036	24,412	33,288	26,371	17,153	7,551	3,610	255,000

Table F
Sensitivity analysis

Year	1	2	3	4	5	6	7	8	9	10	.11-20
Incremental Benefits	(3,761)	(2,369)	(1,704)	(673)	1,161	2,897	4,391	5,856	7,038	7,734	8,323
benefits +10%	(4,137)	(2,606)	(1,874)	(740)	1,277	3,186	4,830	6,442	7,741	8,507	9,156
benefits +20%	(4,513)	(2,843)	(2,045)	(807)	1,393	3,476	5,269	7,028	8,445	9,281	9,988
Mild scenario	(3,385)	(2,132)	(1,533)	(605)	1,045	2,607	3,952	5,271	6,334	6,961	7,491
Medium scenario	(3,009)	(1,895)	(1,363)	(538)	929	2,317	3,513	4,685	5,630	6,187	6,659
High scenario	(2,633)	(1,658)	(1,193)	(471)	812	2,028	3,074	4,099	4,926	5,414	5,826
Project Costs	264	464	644	1,219	1,022	3,265	2,456	1,715	784	366	0
costs +10%	291	511	708	1,340	1,124	3,591	2,701	1,887	863	403	-
costs +20%	317	557	773	1,462	1,226	3,918	2,947	2,058	941	440	-
costs +30%	397	697	966	1,828	1,532	4,244	3,192	2,230	1,020	476	-
Net cash flow											
base scenario	(4,026)	(2,834)	(2,348)	(1,891)	139	(368)	1,935	4,141	6,253	7,367	8,323
costs +10%	(4,052)	(2,880)	(2,412)	(2,013)	37	(695)	1,690	3,970	6,175	7,331	8,323
costs +20%	(4,078)	(2,926)	(2,476)	(2,135)	(65)	(1,021)	1,444	3,798	6,096	7,294	8,323
costs +30%	(4,158)	(3,066)	(2,670)	(2,501)	(372)	(1,348)	1,199	3,627	6,018	7,258	8,323
benefits +10%	(4,402)	(3,070)	(2,518)	(1,959)	255	(79)	2,375	4,727	6,957	8,141	9,156
benefits +20%	(4,778)	(3,307)	(2,688)	(2,026)	371	211	2,814	5,313	7,661	8,914	9,988
benefits -10%	(3,649)	(2,597)	(2,177)	(1,824)	23	(658)	1,496	3,556	5,549	6,594	7,491
benefits -20%	(3,273)	(2,360)	(2,007)	(1,757)	(93)	(948)	1,057	2,970	4,846	5,821	6,659
benefits -30%	(2,897)	(2,123)	(1,837)	(1,689)	(209)	(1,237)	618	2,384	4,142	5,047	5,826
benefits delayed 1 year	(264)	(4,226)	(3,013)	(2,922)	(1,694)	(2,104)	441	2,676	5,072	6,671	7,734
benefits delayed 2 years	(264)	(464)	(4,405)	(3,588)	(2,725)	(3,938)	(1,295)	1,182	3,607	5,490	7,038
Discount rate	10%										
Sensitivity Analysis	Base case	Costs Increase			Increase of Benefits		Decrease of Benefits			Delay of Benefits	
		+10%	+20%	+50%	+10%	+20%	-10%	-20%	-30%	1 year	2 years
IRR	23.0%	22.3%	21.7%	20.6%	23.6%	24.1%	22.3%	21.4%	20.3%	21.3%	19.6%
NPV (MZN) million	19,764	19,069	18,374	17,164	22,436	25,107	17,093	14,421	11,749	16,150	12,868
NPV (USD) million	308.82	297.95	287.09	268.18	350.56	392.30	267.07	225.33	183.59	252.35	201.06