Ministry of Foreign Affairs

Activity: Manguana - Food Systems Beira Corridor (23-0001058)

Id	23-0001058
Date	01-09-2023
SAP application number	4000006963

Contents

Key data 4

Activity basics 4

Activity details 4

Accounting data 4

Policy data 5

Policy Appraisal 6

National context 6

Policy relevance 6

Rationale 7

Contextual analysis 9

Added value 10

Lessons learned 10

Durability 10

Gender 11

Climate change 11

Cooperation, harmonisation and alignment 11

Digitalisation 12

Additional remarks (if applicable) 13

Results 14

Activity specific results and indicators 15

Monitoring and evaluation 17

Monitoring 17

Evaluation 17

Reporting 17

Finance 19

Budget breakdown 19

Earmarking 20

Prepayments 20

Available resources 20

Grant with a repayment obligation, loans, equity investment or guarantee 20

Audit opinions 20

Key data

Activity basics

Type	Standard
Short name	Manguana - Food Systems Beira Corridor
Contract party	Technoserve Inc. Maputo (30021702)
ODA	Yes
Amount EUR	30000000
Start date	01-09-2023
End date	31-08-2027
Full name	Manguana - Strengthening Food Systems in the Beira Corridor - Mozambique
Summary	Overarching objective of this 4-year program is to support food systems in the Beira Corridor benefiting directly around 230,000 people. It will accomplish by increasing the productivity, profitability, climate resilience, and ecological sustainability of small-scale and market-oriented farming systems. By strengthening farming systems, the program will address challenges faced by small-scale food producers (SSFP) with a focus on building nutrition security, agricultural productivity and income. The activity will also address the market-related challenges faced by SSFPs by focusing on increasing the profitability of farming systems. Gender and youth empowerment will be mainstreamed throughout all planned activities. It will leverage expertise in climate smart and regenerative agriculture and business and incorporate digital approaches to improve efficiency of farming systems and reach more SSFPs at low cost.

Activity details

Date of receipt of proposal	07-07-2023
Proposal’s reference number	
Budget holder	Maputo Embassy (8221MAP)
Limit access	No
Related activity	4000005813

Accounting data

SAP application number	4000006963
Funds center	MAP MZ Food security contribution (1702U01010012)

Policy data

Aid modality	Project support
Technical assistance	Between 25% (inclusive) and 50% (exclusive) of the activity budget
Beneficiary location	Country
Country	Mozambique
Location type	Province
Specific location	Beira Corridor section in Sofala and Manica provinces
CRS code	31120 Agricultural development
Policy Keywords	
Refugees & host communities	No
Policy Markers	
Biodiversity	Significant
Climate change: adaptation	Significant
Climate change: mitigation	Significant
Desertification	Significant
Equality between men & women	Significant
Food security	Principal
Market access	Significant
Private sector development	Significant
Skills development	Significant
Youth employment	Significant
Explain your choices	The program will provide farming communities with the inputs, skills, and knowledge they need to become more resilient to climate shocks and environmentally sustainable. Human-induced desertification, mainly caused by deforestation, can be controlled by the use of agroforestry systems (AFS). The farming systems would hardly be sustainable without the involvement of the private sector. The program will work with the private sector to grow their businesses sustainably and inclusively. Three categories of private sector will be targeted: small commercial farmers (SCF), micro, small and medium enterprises (MSMEs), and large agribusiness companies that operate at a scale that can transform food systems. All these categories are described int the subsequent sections. Gender and youth will be mainstreamed throughout program activities. This will start with a gender analysis to validate and refine the current understanding of gender-related constraints and opportunities in the Corridor.

Policy Appraisal

National context

Mozambique, with its vast arable land and abundance of water, has been identified as a country with high agricultural potential. The country is also endowed with energy and mineral resources and in 2010 natural gas was discovered. Mozambique is divided into three agro-ecological zones: arid and semi-arid in the south and south-west; sub-humid mainly in the centre and north; and, humid highland mainly in the central provinces. Most of the agricultural production takes place in the Central plateau, which is crossed by the Beira Corridor. It is one of the most fertile regions of the country.

Mozambique's economy is still largely based on agriculture despite its mineral and gas resources. The role of agriculture in promoting economic growth and reducing poverty remains fundamental. Approximately 67% of the country's population of 32 million people are largely dependent on agriculture for their employment and means of subsistence. The poverty rate is still very high at 64%. Despite the importance of Mozambique's agricultural sector (which contributes about 28% of GDP and employs more than 70% of the population, 14% of whom are between 15 and 35 years old), the sector continues to face structural constraints that reduce its competitiveness and effective contribution to economic growth.

Climate change is the main driving force behind the production challenges in the Beira Corridor. Mozambique is expected to experience an average temperature increase of three degrees celsius by 2050. Increased heat stress, reduced water availability and increasingly unpredictable and extreme weather events will lead to crop losses and low production levels, threatening the country's food system.

Sub-optimal practices and inputs in the Beira Corridor not only limit SHF (small holder farmers) productivity and income, but also affect nature. The SHF limited agronomic skills and knowledge and lack of land rights are the major reasons for poor land management. About 97% of SHF farmland is not secured. It means that many SHFs are vulnerable to land grabbing as they do not have legal right to use the land they farm. This insecurity encourages short-term thinking and discourages farmers from investing in regenerative practices and inputs that may take years to show tangible benefits in the environment including soil fertility. Current practices, including slash-and-burn, ploughing, overfertilisation and monoculture, degrade the land and reduce the resilience of farming systems. Poor soil health is widespread, mainly in the form of acidity and nutrient depletion. In addition, soil salinity affects crops, particularly in Sofala province, where cyclones, sea water intrusion, inadequate irrigation and monocropping are widespread.

The poor performance of the agricultural sector also has serious implications for the nutrition of rural families as 81% of the population depends on agriculture for their livelihoods. Over 95% of food crops are produced under rain-fed conditions in a country that suffers from frequent droughts and floods. Additionally, poor sanitation and hygiene practices lead to diarrhoea which is the leading cause of death amongst children. Chronic malnutrition in Mozambique has remained relatively unchanged over the past 15 years. The country ranks 103 out of 107 on the 2020 Global Hunger Index, and chronic malnutrition affects the health of 43% of children under five. Both Manica and Sofala provinces report chronic malnutrition rates of 42%, and more than half of women of reproductive age are anaemic.

Politically, the provinces of Manica and Sofala have traditionally been a bastion of the opposition party RENAMO. The recent political conflict in the area has contributed to relatively low public investments in many districts of these two provinces. With the peace agreement of 2019, an opportunity arose to bring critical services to the residents of the province and strengthen the foundations for peace to take root.

The political stability of these provinces is of crucial importance for the sustainable development of Mozambique as a whole. This is due to their strategic geographic locations, hosting two very important road connections, i.e. the EN-1 linking the South to the North, the EN-6 (the true Beira Corridor) linking the port of Beira to hinterland countries like Zimbabwe, Zambia, Malawi and Congo, as well as the country’s most important railroad.

Nevertheless, the potential for the resurgence of political conflicts associated to extreme poverty still exists. As such, if this programme can enhance the socioeconomic development of the area, it can contribute to the political stability and socioeconomic development of Mozambique as a whole.

Policy relevance

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

SDG

The primary relevance of the programme in relation to the Sustainable Development Goals (SDGs) is its contribution to SDG 2 – Zero Hunger. Challenges in the agricultural sector contribute significantly to widespread malnutrition, as detailed later in the problem analysis section.

Moreover, through gender and youth sensitive capacity building (SDG 4.3), the activity is expected to increase the volume of production per labor unit (SDG 2.3) while increasing the proportion of informal employment (SDG 8.3), decreasing the overall unemployment rate in rural areas (SDG 8.5), and promoting equal rights to agricultural land ownership (SDG 5a), particularly for women and youth. The activity will mobilize additional financial resources (SDG 17.3) that enable SHFs, SCFs, and MSMEs to

access affordable credit and financial services (SDG 9.3). By providing direct support and improving the market system, the activity can bring some of the poorest SHFs out of poverty and contribute to SDG 1 - Eradicating Extreme Poverty (SDG 1.1, 1.2) and Ending Hunger (SDG 2.1). Gender Equality (SDG 5) is intentionally integrated throughout the activity, and women's economic empowerment is a key result of the activity. As the activity prioritizes climate resilient and regenerative agricultural practices and inputs (SDG 13 Climate Action), it will help to improve soil health and biodiversity and reduce land degradation (SDG 15 Life on Land).

Dutch policy

As the activity aligns with the SDGs, it also aligns with several policies of the Dutch government that support the SDGs especially the *Netherlands' strategy for International Trade and Development Cooperation Policy Document (2022) - Doen waar Nederland goed in is.*

Under the *Sustainable Farming Systems for Food Security Strategic Directions Towards 2030 (2022)* strategic document, the Government of the Netherlands expresses a commitment to promote inclusive and sustainable growth in the agricultural sector (SDG 2.3), with the Netherlands aiming for a sustainable increase in productivity and income for eight million small-scale food producers over the period 2016-2030 and the achievement of ecologically sustainable food production systems (SDGs 2.4 and 2.5).

Furthermore, the activity will contribute to the goals of the *Dutch the Feminist Foreign Policy* through affirmative gender actions. The policy also states that innovative financing is crucial to reach the SDG and climate goals. In this regard, the proposed activity is expected to play an important role in promoting innovative financing through leveraging development funds for private financing (matching grant). It also will, where possible, link the private sector with Dutch and other donor funds.

Netherlands Multi-Annual Country Strategy (2023-2026) in Mozambique

The *Netherlands* Multi-Annual Country Strategy (MACS) in Mozambique is in line with the aforementioned "Doen waar Nederland goed in is" of the Netherlands Ministry of Foreign Affairs and with the Dutch policy outcomes and outputs set out in the policy results frameworks. It is also in line with the EU's National Indicative Programme (NIP) for Mozambique.

The MACS states that the Netherlands aims to reduce poverty and social inequality by a primary focus on youth and vulnerable people. One of the topical focus of the MACS is on Food and Nutrition Security (FNS). To increase impact in this field, the Netherlands will operate in two geographical areas: (1) Cabo Delgado province and (2) Sofala and Manica provinces. Among other FNS strategic interventions, the MACS foresees support to smallholder farming systems that have the potential for further agricultural development. Special attention is given to women as they play a crucial role in growing food crops and generating income for their families. Moreover, the improvement of land tenure security of vulnerable people is also part of the approach as this is the main asset that the small-scale food producers have.

Mozambican policy

The proposed activity is aligned with numerous sectoral policies and strategies of the Government of Mozambique including their current five year plan, National Development Strategy and Zambezi Valley Development Strategy (designed with support from EKN and WB). The anticipated outcomes of the activity closely align with the ambitions of the Ministry of Agriculture and Rural Development (MADER) in its mission to accelerate the transformation of the agricultural sector through modernization of production and markets, value chain development and job creation. The activity will contribute to pillars 1,3 and 4 of the National Agriculture Investment Plan (PNISA II), namely (1) improving service provision to SHFs, (3) agribusiness development and (4) institutional strengthening and development.

The regenerative businesses and agricultural practices adopted by the activity are in line with the National Path for the Transformation of Food Systems in Mozambique, designed within the framework of the World Summit on Food Systems in 2021 which holds climate change as one of the key challenges to secure food systems in Mozambique.

The activity is also in line with the Gender Strategy of the Agrarian Sector in Mozambique (2016-2025), as it recognizes the importance of addressing gender- and, age-based constraints deeply ingrained in the market system to enable women and young people to participate in and benefit from economic opportunities.

Rationale

- What issue/problem will be addressed by the activity

Problem analysis

The food system in the Beira Corridor is not sufficient to meet the food and nutritional needs of the local population and is falling short of its potential to generate income for SHFs, SCFs and MSMEs. The Beira Corridor is a key lever for transforming Mozambique's food producing systems and addressing the challenges associated with food and nutrition security. As the country's most developed and best supported agricultural corridor - with largely untapped natural resources, existing government investment and strong private sector interest - the Beira Corridor holds an immense promise for world-class food production and income generation. However, due to underperforming food production systems and value chains, and an inadequate enabling environment, this promise remains largely unfulfilled.

Farming system

The SHF farming system in the Beira Corridor consists mainly of maize, sorghum, vegetables, beans and poultry. As in the rest of the country, plot sizes are generally less than two hectares and average yields per hectare are very low (around 1 tonne/ha). SHFs consume a high proportion of their own food production. Despite an arable land area of 36 million ha, only 4,000 ha in the Beira

Corridor is under commercial cultivation, of which only 1,200 ha is irrigated. At least two-thirds of farming households in the Beira Corridor are food insecure.

Despite the presence of large agricultural input companies in Beira, the vast majority of SHFs in the corridor have limited access to improved seeds, fertilizers and pesticides that can improve crop quality and quantity. Input adoption is low because SHFs, especially women and youth, have poor business skills and weak business models, among other factors.

They also have limited market activities and have not regularly engaged in value-adding activities such as household food processing, drying and packaging. SHFs struggle to maximise profits by selling part of their production to the most profitable and reliable buyers (formal and informal). Again, these challenges are particularly acute for women and youth, who are disadvantaged in agricultural markets.

The agricultural system is cyclically affected by changing rainfall patterns, cyclones, floods and other hazards. It is vital that SHFs adopt agricultural practices that can build their resilience and protect their livelihoods from increasing risks. However, weak extension services and limited information channels leave SHFs with insufficient skills and knowledge to adopt improved and regenerative agricultural practices and diversify their production enterprises.

Challenges in producing and managing natural resources exacerbate the economic and nutritional vulnerability of households, who have limited strategies to build their own resilience and increase their productivity and income. Household diets tend to be cereal-heavy, with low consumption of protein, vegetables and fruits, due to limited knowledge of basic nutrition. Limited food availability associated with social norms lead to unequal distribution of food within households (ex. in some regions, children and pregnant women are not allowed to eat eggs because of the risk of baldness in adulthood). This leads to nutrient deficiencies, malnutrition and health problems, especially for women and children.

Value chains

The underperformance of value chains limits the uptake and commercialization of production, increases risks and limits the economic returns for SHFs, SCFs and MSMEs. This is due in part to the high transaction costs, information asymmetry, inefficiency, opacity and mistrust between actors that characterize the value chains in the Beira Corridor. In addition, the capacity of value chain actors to effectively manage and invest in their businesses is limited. SHFs, SCFs and MSMEs lack access to quality services, mentoring and technical assistance. There is also a lack of one or more key functions in the value chain, such as aggregation, processing and distribution.

As most SCFs (especially women and youth) have limited credit history, access to finance is also a challenge. Although SCF entrepreneurs have more technical and managerial experience than non-commercial SHFs, they still need support to increase production, improve management and grow their businesses.

MSMEs, including aggregators, processors and other commercial actors, receive low quality product in variable quantities, making it difficult for them to attract large buyers or enter into long-term procurement contracts. MSMEs also face financial barriers, transport challenges, distant markets, unorganized collection and sales points, limited facilities, low quality packaging and lack of certification to expand into more valuable markets. They lack the financial, business, technical and other skills to overcome these challenges. They also lack strategies for investing in SHFs to improve their supply chains.

Finance, policy environment and coordination

Most SHFs, SCFs and MSMEs lack access to affordable finance, both for investment and working capital for growth. Stringent eligibility requirements and high interest rates (>25%) are significant barriers for SHFs, SCFs and MSMEs. They tend to have slow or unpredictable returns on agricultural investments, limited profits and savings, scarce data/production history, and inadequate access to accepted forms of collateral. These challenges to eligibility are particularly acute for women, who often have limited access to, and control over, assets that can be used as collateral.

Disruptive policies regarding seed and other input subsidies make agro-dealing difficult. Tax policies are not conducive to the promotion of domestic production and value addition over imports and commodity exports. SHFs, especially women and youth, struggle to ensure their voices are heard and their needs are addressed due to low literacy levels and limited mechanisms to participate in policy development and validation.

Gaps in coordination lead to duplication and tensions between and amongst initiatives in the Beira Corridor. This ultimately limits their impact. The efforts of the government, the private sector, civil society, and bilateral and multilateral partners over the past decade have been hampered by a lack of organisation and collaboration among development actors. Indeed, this is seen as a key challenge for the development of the Beira Corridor.

Potential of the Beira Corridor

Although these challenges have hindered the development of the Beira Corridor, its potential is as strong as ever. With skills, knowledge, markets, and enabling environment, the development actors – SHFs, SCFs, MSMEs, Agribusiness Companies, FIs, CSOs, NGOs, donor community, Government and others, can unlock the potential of these natural resources in a sustainable and regenerative manner.

The fundamental elements of agriculture (land and water) are available for expansion. The Beira Corridor has over 10 million ha of arable land that is vastly underused for commercial purposes.

There have been significant investments in the Beira Corridor by a wide range of public, private, and non-government organization actors over the last decade. These investments have elevated the Beira Corridor to an area with several high-performing commercial value chains that are export-ready and generating income for actors at all levels. Ever increasing private sector involvement in the Corridor including seed companies, insurance companies, buyers, processors, informal traders, and

other agri-businesses reflects a growing recognition that the area has untapped potential and is poised for further growth. These investments have created entry points for the proposed activity by providing assets and structures for implementation of the programme. If coupled this with the experience of the consortium members in implementing programmes in the Beira Corridor, this activity could start generating results in the early stages of its implementation. In general, similar programmes start to generate results after the second year of implementation.

- Why does the activity help to address the issue/problem?
  For ODA activities over EUR 250.000, please explain the Theory of Change

The activity will combine farming systems and value chain approaches. In that regard, farming systems for SHFs will be strengthened by building their agronomic, business, and financial knowledge and skill base. Improving knowledge and skills on crop diversification, regenerative agriculture, and nutrition-enhancing strategies, the SHFs will add revenue streams and increase profit margins while building long-term resiliency to climate change and other exogenous shocks. By doing so, farming systems can have improved and more sustainable crop production and productivity, more resilient farming businesses and households, and restored habitats and natural environments anchored in healthier soils and greater biodiversity.
The activity will leverage the consortium's relationships with the private sector and other parties involved in food crop value chain development with a view to improving the efficiency, resilience and inclusiveness of such value chains that SHFs depend on for their nutrition and livelihoods (e.g. fruit, rice, nuts, poultry, etc).
SCF enterprises will be strengthened in providing services, inputs and TA to SHFs. To improve the performance of aggregators, processors and other key intermediaries that link SHFs to formal and informal markets, the activity will build skills and knowledge, especially among women and youth, through business acceleration and incubation processes.
The consortium will also work with large private companies to address weaknesses in their core business models and help them strengthen and expand their fair business interaction with the SSFP. The activity will work with key finance and insurance providers to unlock the capital needed for bottom-of-the-pyramid agricultural players to trade and grow.
The consortium will work with key public institutions, policymakers and private sector at all levels to improve the enabling environment for SHFs, SCFS and MSMEs in the Beira Corridor. It will established public-private dialogue mechanisms that aim to address challenges related to food systems including land use and rights.
The programme's theory of change assumes that as SHFs improve their farming systems, and as targeted food value chains leverage the private sector (including large-scale agribusiness, MSME and SCF) to increase the efficiency, resilience and inclusion of SHFs, and as the financial and policy environment is conducive to the success of businesses and food producers, the productivity and incomes of SHFs will improve in a sustainable and diversified manner and consequently the food systems in the Beira Corridor will be strengthened.

Contextual analysis

- Who is/are the target group(s) and why?

The main beneficiaries of the programme will be SHFs in the Beira Corridor who are currently the backbone of the agricultural sector in Mozambique and those most at risk of poverty and food insecurity. Within the category of SHFs, priority will be given to women and youth, as SHFs women face gender-specific barriers to growth, and youth face barriers related to their age and experience.
The other beneficiary of the programme is the private sector. However, in the context of the programme, private sector involvement is seen as a means to sustainably assisting SHFs and not necessarily an end. In fact, private sector (SCF, MSMEs and large agribusinesses companies) can make value chains work more effectively for the SHFs, if they (private sector) have strong business models, skills, knowledge and strategies to grow their own businesses and strengthen their supply chains in an inclusive way.

- To what extent have stakeholders been involved in formulating the proposal?

The proposal was co-formulated by TechnoServe, Resilience, Zambezi Valley Development Agency (Zambezi Agency), and Economic Development Agency of Manica Province (ADEM). They worked in partnership to create a shared vision and implementation approach for the program. Women and youth organizations, SHF associations, agribusiness companies (private sector), CSO/NGOs and relevant government entities, donors, knowledge institutions including agricultural research ones were also engaged in the development of the the proposal.

- Is the intervention aimed at a specific geographical location, and if so, why?

The intervention is specific to the Beira Corridor in Manica and Sofala provinces. It is a large area with huge agricultural potential. There are 10 million hectares of arable land with good soils, climate and access to water. But this potential has not been realised. The local rural population is reliant on subsistence rain-fed agriculture and remains very poor. To unlock the potential of the Corridor, there must be a true partnership between government, farmers organizations, private sector, knowledge institutions, CSOs, NGOs and the international community. Along with Cabo Delgado, Sofala and Manica provinces are the geographic regions prioritized in the Multi-Annual Country Strategy 2023-2023 of the Embassy of the Kingdom of the Netherlands in Mozambique.

Added value

The programme builds on good practices and positive experiences from interventions that have taken place in the Corridor, funded by the Netherlands and other donors. Over the past two decades, the focus of FNS programmes in the Corridor has been on livelihoods and production processes. To make SHF production systems more robust and sustainable, the new programme approach raises the bar by relying on strong market linkages and strengthening relevant actors such as SCFs, MSMEs and large agribusinesses. It combines production system and value chain development approaches. Furthermore, the programme has a strong focus on the

improving coordination and enabling environment. This is a component that has been overlooked by many of the development initiatives that have taken place in the corridor, even though many stakeholders consider, in one hand, that the lack of coordination between development actors to be one of the main problems hindering the development of the Beira Corridor and the country in general. In the other hand, they recognize that policy reforms are necessary to atrract private investiment into the region. For instance, in that regard the GoM plans to establish an Economic Special Zone in the Beira Corridor.

Lessons learned

The design of the programme was strongly influenced by the final evaluation report of the Inclusive and Sustainable Agricultural Development programme (ISA-II) in the Zambezi Valley managed by the Zambezi Agency. Among others, the evaluation report recommended (1) the need to reduce the geographical area of future FNS program to avoid dilution of funds and increase impact; and (2) the need to work with but not through government, in order to circumvent the bureaucratic obstacles that have undermined programs implemented through government institutions. On the other hand, several studies carried out in the Beira Corridor are unanimous in considering the lack of coordination as one of the main obstacles to the development of the Zambezi Valley region. Hence the need to pay more attention to coordination.

Experiences from programs that have taken place or are ongoing in the corridor, funded by EKN and other donors, were also considered.

Under the USAID-funded RAMA-BC program, intercropping was found to be effective in improving water retention and reducing the need for inputs. The programme will promote the intercropping of tree crops with annual crops, supporting soil health and reducing the volatility of SHFs income.

From the ISA-II program, it was learned that digital technical support is effective and benefits the farmer's production and income generation. Farmers without smartphones can receive timely agricultural information using SMS and can respond to advice or ask questions. The consortium researched a wide range of digital support options and integrated digital technology into the programme.

According to the Financial Sector Deepening Africa platform report, financing SHFs, especially for rural women and youth, requires systemic and policy changes. The programme will advocate for systemic and policy changes conducive to access to finance and insurance for SHFs, including women and youth.

Smallholder aggregation case studies from Africa suggest that incentives are required for all actors involved in the supply chain. In this regard, cluster production also known as Ag Hubs will be established to reduce aggregation costs and investment risk.

Durability

A successful exit from a programme depends on a successful implementation. Stakeholders at all levels will engaged and motivated to continue programme activities and sustain impact after programme completion. It will involve building the capacity of public and private actors, increasing the availability of skills and competencies in the agricultural sector, forging lasting links between different actors, and contributing to an enabling political and social environment that promotes a more productive agricultural sector.

Through training and technical assistance, the programme will embed skills and knowledge in SHFs throughout the corridor. This will provide practices and inputs that will last beyond the life of the project. The staff in the field will also consists of selected champion SHFs from the targeted farming communities. Additional skills and confidence will be built to overcome challenges and put them on a professional growth path that they will follow after the project ends. This approach (use of champion SHFs) also called farmer-to-farmer extension, will help to increase the pool of expertise available in the corridor.

The SCFs and MSMEs will be equipped with the skills and knowledge they need to grow in a sustainable, self-sustaining way that will continue without programme support. The programme will support their integration into the formal financial system in order to have sustainable access to finance in the future.

The programme will work with the private sector to develop more inclusive business models in the private sector. It will also build links between the private sector and the government, laying the foundation for long-term channels of communication that will facilitate the development of policies that are conducive to the growth and prosperity of private enterprises in the agricultural sector.

To develop sustainable relationships with SHFs, SCFs and MSMEs, the programme will work with FIs and crop insurance companies. It will also work with relevant government institutions to identify and address operational, technical and knowledge gaps in their ability to develop and implement policies to enable agricultural growth.

Gender

An in-depth gender and youth analysis will be conducted during the programme inception period. However, the programme recognizes that closing gaps in women's and men's access to resources and control of income at and beyond production is critical to driving inclusive economic growth through the agriculture sector. The structural barriers that prevent youth, women and men from participating in and benefiting equitably from farming systems in target communities will be examined.

A Gender and Youth Action Plan to guide gender- and youth-responsive implementation will be the main outcome from the gender and youth analysis tha will be part of the MEL plan. The action plan will include indicators and targets to measure, amongst other, the benefits that youth, women and men get from the programme activities.

The programme is aware of the possible unintended gender-related consequences that may occur during the implementation of the intervention in the target districts. In this regard, appropriate mitigation measures will be put in place without delay.

Climate change

The programme will prepare farmers to remain productive even when unpredictable events disrupt normal agricultural cycles by training SHFs in climate-smart agronomy and providing them with drought- and flood-resistant crop varieties through improved input markets. Moreover, by improving SHFs' livelihoods, it will enable them to invest in greater farm resilience and recover more quickly from climate-related losses.

The proposed regenerative agricultural approaches, including agroforestry, will improve soil conditions, sequester carbon and ensure the SHF in the corridor manage their natural resources well. The programme will improve farmers' knowledge and skills in productivity-enhancing, regenerative and climate-resilient practices for their anchor and complementary crops.

In the context of the programme, regenerative agriculture is defined as farming practices that protect and restore soil health, conserve agrobiodiversity, and reduce greenhouse gas emissions to build the resilience of agro-ecosystems to climate change. In turn, this will improve and sustain farm productivity and profitability.

The proposed regenerative agriculture approach includes the Agroforestry Systems (AFS). It is the integration of (fruit) trees with crops and/or livestock at the plot, farm, and/or landscape scale. AFS is one potential climate change adaptation strategy to increase the resilience of farmers and agricultural systems against climate risk, providing a range of biophysical and socioeconomic benefits. It is also seen as a promising agroecological approach to climate change adaptation because of the multitude of co-benefits that many agroforestry systems provide in addition to climate change adaptation, including synergies with climate change mitigation through carbon sequestration, enhanced food security and income opportunities, the provisioning of ecosystem services, and biodiversity conservation.

The programme will work with the private sector/agribusinesses to assess their exposure and risk to future climate change, make their business practices more regenerative, and develop climate change mitigation measures and strategies to integrate into their operations.

Cooperation, harmonisation and alignment

Collaboration with Government of Mozambique

At central level, the programme will work with MADER and Ministry of Industry and Commerce (MIC) to develop implementation strategies. Meetings will be held to share information and promote alignment with both ministries. In the context of the enabling environment, the programme will engage high-level decision-makers in strategic discussions with the private sector in the corridor to promote joint public-private sector planning for strategic investments in the corridor, and to advocate for new regulations and policies that better reflect the needs of the private sector and the SHFs and SCFs in the corridor. In fact, this is part of the Government of Mozambique's Zambezi Valley Development Strategy. The programme would therefore contribute to the implementation of this strategy, which was designed with the financial support of the WB and EKN (under the ISA-II programme).

At the decentral level, the program will work with the Provincial Directorates of Agriculture in each of the provinces to ensure alignment with their priorities and, where appropriate, to coordinate investments and activities. To improve the quality of the strategic vision and plan for the Beira Corridor, technical assistance will be provided to these institutions. Government representatives will be part of the Programme Steering Committee. This will provide an additional mechanism to receive their continuous input and to share with them lessons learned and best practices during implementation.

Collaboration with other programmes:

The programme will cooperate with the following programmes operating in the Corridor and surrounding area:

- Sustainable Livelihoods and Development Programme (SDLP) implemented by Gorongosa Restoration Project (GRP) in Gorongosa, focusing on market access for SHF in Gorongosa;
- Transforming Food Systems to Improve Diet Quality and Resilience for the Most Vulnerable (DIETS) implemented by GAIN under Dutch funding and with focus on community awareness communication strategies and platforms for improving household nutrition and food utilization;
- Animal Source Food (ASF) also implemented by GAIN under Dutch funding and focused on sustainable production and consumption of ASF in the Corridor taking into account the environmental footprints;
- MoFA-funded Water Productivity project implemented by the FAO;

- PADEO (Programmatic Approach Sustainable Economic Development) is an approach from the Dutch government to contribute towards the achievement of SDG 8 (decent work and economic growth);
- IWRM (Integrated Water Resource Management), an embassy-funded programme that is still in designing phase;
- Higher Education and TVET programme (BHO), another centrally-funded program that is still also in the designing phase;
- The Inputs Partnership, a multi-donor programme aimed at coordinating SHF access to seeds, fertiliser, agrichemicals and finance;
- IRRIGA, an irrigation program funded by the World Bank and implemented by MADER. The possibility of creating agri hubs around the irrigation infrastructure established by IRRIGA will be explored;
- The MSMEs will be linked to the WB Innovation and Demonstration Catalytic Fund to access support for business investments. This fund is managed by the Zambezi Agency;
- IFAD-funded Rural Enterprise Finance Project, which aims to increase financial literacy and capacity among rural people;
- ProEcon-PROMOVE is an EU-funded project that aims to increase the availability of innovative financial products for SHFs, SCFs and MSMEs in rural areas;
- The programme will work with the owners of the assets (ex. tractors and other machinery) provided by SUSTENTA (a World Bank-funded programme), supplementing them with the business and technical skills needed to make them work.

As part of its mandate, the Zambezi Agency will have a key role in coordinating all multilateral and bilateral investments in the Beira Corridor. It will convene alignment meetings with all relevant public and private entities as well as donors and other stakeholders in the corridor to ensure that interventions complement each other and avoid duplication.

Collaboration with Knowledge Institutions

Research institutions were also contacted during proposal preparation. The consortium will discuss with them in more detail the specific scopes of work for each institution and develop detailed plans of collaboration. However, it is anticipated that research institutions will provide additional technical assistence to SHFs and SCFs in the Beira Corridor. Moreover, they will focus on seed systems and certifications, and support to dialogue around seed systems and genetic materials. Beside the provision of technical assistence to SHFs, SCFs and companies, the international research institutions will provide technical assistence and support to national research institutional development and sustainability. The list of the research institutes and areas of collaboration is presented bellow:

Mozambique Agricultural Research Institute (IIAM):

- Strengthening seed value chains, especially soy and beans; scale up availability of pre basic seeds;
- Provision of technical assistance to seed producers;
- Supporting gene bank in an IIAM facility;
- Integrate lessons learned from adaptability studies they have done for maize and soy.

National Institute of Agricultural Technology of Argentina (INTA):

- Collect technical know-how on rice production;
- International Institute of Tropical Agriculture (IITA) Technical assistance to seeds seed producers and technical skills development (in collaboration with IIAM);
- Accelerate testing to identify ideal varieties of seed for identified value chains;
- International Institute of Tropical Agriculture (IITA);
- Technical assistance to seeds seed producers and technical skills development (in collaboration with IIAM);
- Strengthening seed value chains especially soy and other beans;
- Accelerate testing to identify ideal varieties of seed for identified value chains.

WUR-CDI:

- Facilitate the engagement of Dutch seed companies;
- Get technical assistance on existing Dutch seed varieties or introduce new ones;
- Explore opportunities to link to Dutch expertise (e.g., technologies) in poultry;
- Potato production and knowledge transfer around commercial and SHF potato production (e.g., doing field visits / coaching sessions, training staff, etc.).

SeedNL:

- Facilitate the engagement of Dutch seed companies;
- Get technical assistance on existing Dutch seed varieties or introduce new ones;
- Replicate their enabling environment for seeds approach. Benefit would be that there would be a clear action plan on enabling environment level.

Digitalisation

Digitalisation can decrease costs, mitigate risks, streamline market systems, and disseminate information. Rather than invent new solutions, the program will evaluate the range of digital tools available in the market and in use by the consortium partners or key stakeholders. It will adopt the ones that are tailored to the needs and abilities of local farmers and aligned with the Principles for

Digital Development. Recognizing the limited smartphone penetration in the Beira Corridor, especially among women, the program anticipates that the appropriate solution will be low-tech, SMS-based, and adapted for farmers with low literacy.

Additional remarks (if applicable)

Conflict Sensistive programming

The Beira Corridor is still considered as one of the most politically sensitive regions in Mozambique. It is strongly influenced by the opposition as it hosted the largest military bases of RENAMO, a former guerrilla movement that later became a political party.

The demobilisation process of RENAMO ex-combatants was completed in June 2023. However, this does not mean that complete stability in the region is guaranteed. Amongst others, it will depend on the way in which these ex-combatants will be reintegrated into society in social and economic terms.

It is therefore essential that the programme takes this into account. In conjuction with other measures, Prevention of Violent Extremism (PVE) training is planned for those that will be involved in implementing the programme, especially the field staff.

It is also important that the programme is not used as an instrument for political benefits and exclusion (especially in the selection of beneficiaries and communities). In addition, the consortium should be aware of unwanted and unintended effects, which may prove counterproductive or fuel (hidden) tensions.

Results

- *What are the main OUTPUTS (services and products) that will be delivered through the activity? Describe briefly.*
- *What are the main OUTCOMES (changes and effects for the target groups) that will be achieved through the activity? Describe briefly.*
- *For the OUTPUTS and OUTCOMES mentioned above (or add snapshot from results application):*
  - *Specify the indicators if agreed upon with the contract party.*
  - *Specify the baseline values and targets if applicable. The baseline study will be carried out during the inception phase.*
- *What method will be used to gather and monitor the data? It will be part of the MEL plan that will be designed during the inception phase.*
- *Record the following in the **results application**:*
  - *the thematic results frameworks that apply to this activity; FNS and PSD*
  - *the relevant indicators (including baseline values and targets if applicable).*
- *Have these results frameworks been communicated with the contract party? Yes. FNS and PSD framework shared with Technoserve.*
- *Do the indicators correspond to one or more of the 17 indicators on which the ministry reports to the Dutch parliament? If not, why? Yes. 17 methodological notes shared with Technoserve.*

The programme is fully in line with the 3 result areas described in the FNS IGG results framework. The corresponding indicators are explained in detail in the 17 methodological notes of the IGG. On the other hand, the proposal presents activity specific indicators. These are more technical and have the main function of timely monitoring of the implementation of the programme for timely decision making. The Result Frameworks as well as the 17 methodological notes have been shared with Technoserve. During the 4-month inception phase of the program, the baseline study will be carried out and MEL plan prepared which will include, among others, the baseline data and targets for each indicators.

Aligment with IGG FNS framework

Outcome A: People lifted out of undernourishment

A.1. Number of people with a more diverse and adequate diet;

A.2. Number of people whose nutritional situation became more resilient to shocks.

Output: Undernourished people benefitting from activities to improve nutrition

A.x.1.1: Number of people directly reached with activities aimed at structural/systemic improvement of their nutritional situation;

A.x.1.2: Number of people directly reached with activities aimed at temporary/partial improvement of their nutritional situation;

A.x.1.3: Number of people indirectly reached.

Outcome B: Small scale food producers doubled productivity and income

B.1.a. Number of small-scale food producers who progressively realize a living income;

B.1.b. Number of small-scale food producers who progressively decrease the yield gap;

B.1.c. Number of female small scale food producers who progressively become more empowered;

B.2. Number of small scale food producers whose livelihood became more resilient to shocks.

Output: Small-scale food producers benefitting from activities to improve performance

B.x.1.1: Number of small-scale food producers directly reached with activities aimed at structural/systemic improvement of their agricultural performance;

B.x.1.2: Number of small-scale food producers directly reached with activities aimed at temporary/partial improvement of their agricultural performance;

B.x.1.3: Number of small-scale food producers indirectly reached.

Outcome C: Farmland converted to sustainable use

C.1. Number of hectares of farmland under at least 2 conservation practices;

C.2. Number of hectares of farmland that agro-ecologically became more resilient to shocks.

Output: Farmland benefitting from activities to strengthen ecological sustainability

C.x.1.1: Number of hectares of farmland directly reached with activities aimed at structural/systemic improvement of agro-ecological sustainability;

C.x.1.2: Number of hectares of farmland directly reached with activities aimed at temporary/partial improvement of agro-ecological sustainability;

C.x.1.3: Number of hectares of farmland indirectly reached.

Enablers for FNS (part of the IGG FNS framework)

1. Knowledge & Innovation Systems

1.1: Number of small-scale food producers applying new technologies/practices that aim to transform food systems towards desirable outcomes;

1.2: Number of FNS-relevant knowledge and extension institutions reached with interventions that aim to strengthen their capacity.

2. Policy environment

2.1 Number of reforms / improvements in major (inter)national FNS policies / laws / regulations.

3. Land Rights

3.1: Number of people6 who enjoy (more) secure tenure rights to land.

Activity specific results and indicators

Outcome 1. SHFs build more resilient livelihoods to shocks by operating more sustainable productive, profitable, and resilient farming systems

Improved practices and inputs at the farm level are critical to the success of any farming system. The programme will build SHF's capacity to make their farming systems more productive, regenerative and diversified. It will promote the use of practices and inputs that will not only increase yields, but will also support sustainable land use.

Output 1.1: SHFs have improved knowledge and skills for productive and regenerative farming of diverse crops.

The methodology for the technology and knowledge transfer will be built on peer-to-peer learning approaches. Experience shows that the first adopter (champion farmer) learns an specific practice outside his or her own community and then introduces it at the local level. Neighboring farmers, who see the impact of new practices or tools on yields and incomes, have a tendency to copy them. Through participatory mapping, the programme will identify SCFs and SHFs well suited for the champion farmer role and provide them tools to play this role.

Output 1.2: Initiated and strengthened new or existing commercial activities of SHFs.

The strength of agricultural systems depends on effective agricultural business models based on diversified and resilient income streams. SHFs will be more resilient to climate-related shocks and other stresses with improved knowledge and skills in agronomy, farming as a business and household nutrition, and with strategies and approaches for more effective savings.

Output 1.2.1: SHFs have improved business skills and strategies

Many SHFs lack the business skills and strategies to maximise profits and use savings effectively, even with diversified crops and improved productivity. Based on the needs of the SHFs, a range of business development services will be provided to help them improve their farming businesses.

Output 1.2.2: SHFs form savings and credit groups

Women are more likely to invest the funds in initiatives that benefit their households and thus improve the health and nutrition of their families. The programme facilitators will set up new women's savings and loan groups or provide support to existing ones.

Sub-Outcome 1.3: Improved nutritional awareness among SHFs and SCFs.

It is essential that the programme works towards a minimum dietary diversity for women (MDD-W) and a minimum acceptable diet (MAD) for young children. Improved awareness is critical to improve household nutrition situation in target farming systems. It will be achieved through dissemination of key messages by direct technical assistance, technology platforms, radio and other channels.

Output 1.3.1: SHFs understand nutrition-enhancing approaches to household consumption and food utilisation.

Community facilitators will deliver TA and training to SHF and SCF on cooking practices, good post-harvest handling and storage, hygiene and sanitation, and other practices related to household food use and food safety. TA will focus on improving nutrition for children aged 0-5, who are particularly vulnerable to stunting, wasting and other effects of malnutrition. Radio materials will be developed and disseminated to reach the wider community to increase nutrition knowledge on food use, diversification and safety. In this regard, the programme will collaborate with GAIN and other relevant actors in the field of nutrition.

Outcome 2. PSD initiatives make farming systems more remunerative, climate-resilient, and inclusive of SHFs (including women and youth).

By building linkages between them, the programme will further support the strengthening of farming systems. It will improve the efficiency, climate resilience and inclusiveness of markets on which SHFs depend for food and livelihoods by leveraging relationships between market system actors (SHFs, SCFs, MSMEs and large private companies). The programme will work with SCFs to initiate or strengthen their businesses in providing services, inputs and TA to SHFs.

Output 2.1: SCFs' business models strengthened to provide service packages to SHFs

It will be assessed the needs of each SCFs and built their technical, financial and business capacity to help them overcome barriers to their own growth. Emphasis will be placed on sustainable technical production methods, particularly seed production, including mandatory seed multiplying practices. Business management skills will also be developed among the SCFs, including the development of tailor-made business plans.

Output 2.2: MSMEs' business models strengthened to provide products and services to SHFs and SCFs

The programme will provide targeted and customised TA to agribusinesses with the greatest impact on farming systems, helping them to understand the business case for continued sourcing from, and investing in SHF supply chains. The delivery model will include a combination of workshops and training, technical advice, digital learning and aftercare. Youth agribusiness incubators will be supported to strengthen youth-led agribusinesses.

Output 2.3: Crop insurance promoted among SHFs and SCFs to reduce risk and increase investment appetites

The programme will work with universities, microfinance institutions, commercial banks and telecommunication partners to develop innovative products and services that can increase the take-up of insurance by farmers. On-going discussions with the University of Twente on their rainfed crop insurance product will be continued.

Output 2.4: SHFs, SCFs and agribusinesses access grant funding to catalyze growth and scale

Recognising the critical importance of investment in driving innovation, growth and transformation in the sector, the programme will establish a co-investment facility for key actors in local agricultural systems. The grant component will aim to strengthen local agribusiness systems, build linkages between service providers, producers and buyers, and encourage on-farm investment. The grant approach will focus on co-investment in CAPEX. In addition, the Zambezi Agency will also help beneficiaries access existing (public and private) financing, including working capital funds.

Outcome 3. Improved enabling environment for food businesses and producers

To improve the enabling environment for SHFs, SCFs and MSMEs in the Beira Corridor, the Zambezi Agency's extensive networks and trusted relationships with key public institutions and policy makers, and TechnoServe, Resilience and ADEM's partnerships with private sector market actors, development actors and knowledge institutions at all levels will be leveraged.

Output 3.1: Specific needs for reform communicated to policymakers, in dialogue with SHFs, SCFs, and MSMEs

In order to grow the agricultural sector and create a thriving food system in the corridor, it is crucial that the policy and regulatory environment is responsive to the needs of the SHFs, SCFs and MSMEs. The Zambezi Agency will bridge the gap between policy makers, agribusiness and farmers.

The private sector will have a key role to play in the shaping of policies and regulations in the agricultural sector in the Beira Corridor. In this regard, the Zambezi Agency will strengthen private sector advocacy on key policy and regulatory reforms, sectoral strategies and related plans that affect the Beira Corridor food systems.

Output 3.2: SHFs and SCFs have improved access to land

The Zambezi Agency will work to improve the effectiveness of the legislation on land tenure rights. The programme will work with the Ministry of Land and Environment to improve investment security and increase the confidence of SHFs and SCFs in the return on investment for positive land use practices.

Consortium partner ADEM will cluster SHFs around SCFs and work to secure land rights for farming communities with support from experts on land demarcation and legal activity. ADEM will oversee community engagement activities and ensure that the land titling process is conducted in a gender-sensitive manner so that women have improved access to the land needed for agriculture.

Output 3.3: Improved coordination between food systems initiatives coordinate in the Corridor

Effective coordination is a key factor for the sustainability and success of all the programmes in the Beira Corridor. With improved coordination, the food systems will become more efficient, knowledge will be shared, duplication will be avoided, and government agencies, donor-financed projects and private sector will be more effectively engaged.

Output 3.3.1: Information exchanges and communication channels are established among key food system actors

The Zambezi Agency, with its institutional mandate for the coordination of development initiatives in the Zambezi Valley (including the Beira Corridor), is responsible for the alignment of sectoral agendas at central level with local priorities (provincial, district, municipal) and the dissemination of relevant information for the region. The Zambezi Agency will use its position as a well-networked parastatal entity to coordinate with key government, private, donors and NGO stakeholders. This partner will promote all current and emerging programmes for information sharing and learning, which will improve the performance of all initiatives in the Corridor. The Zambezi Agency will also provide guidance and advice to stakeholders in the corridor to ensure that programmes are complementary to each other and do not duplicate each other.

Expected preogramme impact

- Over 227,000 people (60% youth and 50% women) will have more diverse and adequate diets
- Over 68,000 people will have more resilient nutritional situations
- Over 45,000 small scale food producers (SHFs and SCFs) will progressively realize a living income
- Over 60,000 small scale food producers (SHFs and SCFs) will progressively decrease their yield gaps
- Over 15,000 small scale food producer women will become progressively more empowered
- Over 45,000 small scale food producers will have livelihoods that are more resilient to shocks

Monitoring and evaluation

Monitoring

In line with MFA, during the four-month inception phase the programme team will develop the programme monitoring, evaluation and learning (MEL) plan and carry out the baseline study. The MEL system and approach will be participatory, with the Beira Corridor communities and other relevant.

During the inception phase the team, in constant dialogue with the communities and other stakeholders, will:

- Refine the indicators and targets of the logical framework (including gender and youth
- disaggregation);
- Define what data will be collected, by whom and with which frequency;
- Design data collection instruments;
- Test all data collection instruments;
- Design and carry out a baseline study on agricultural productivity and other relevant indicators;
- Gender and Youth empwerment analysis including the action plan with indicators and targets;
- Carry out a conflict sensitivity analysis;
- Define control groups. The control groups consist of individuals with similar characteristics to programme's beneficiaries to allow comparisons.

The MEL plan will be used for:

- Inform programme management decision making throughout the programme, including key information flows to quickly learn what works and adapt activities and strategies to focus on final goals rather than intermediate results;
- Enable accurate and timely reporting to all stakeholders;
- Evaluate programme outcomes and achievements, and identify lessons learned and areas for improvement;
- Capture best practices for the purposes of scalability;
- Ensure that women and young people benefit from programme activities.

Evaluation

Both a mid-term review as an external final evaluation have been planned and will be commissioned by EKN through the Evaluation Framework agreement from FEZ/IOB. The ToRs and the selection of the evaluator(s) willl be in charge of EKN.

Reporting

The narrative reports will be based on the Annual Plans being delivered and planning versus realisation will be tracked (based also on the logframe indicators). Also the organization's management and review of the risk table will be part of these reports. IATI-reporting will be part of the obligations of the partner. Apart from the approval needed of Annual Plans, Reports (including financial), regular meetings will be organised, and also bottlenecks and lessons learnt discussed. These meetings will be combined with field visits, allowing to discuss with beneficiaries, local counterparts and staff.

Type of report	Period covered	Deadline
Inception report	01-09-2023 / 31-12-2023	29-02-2024
Annual plan and annual budget	01-01-2024 / 31-12-2024	15-11-2023
	01-01-2025 / 31-12-2025	15-11-2024
	01-01-2026 / 31-12-2026	15-11-2025
	01-01-2027 / 31-08-2027	15-11-2026
Narrative progress report, consisting of:		
Annual narrative progress overview drawn up in accordance with the IATI standards described in the Guidelines, to be published	Quarterly (IATI)	1st data set due 31 March 2024
	01-01-2024 / 31-12-2024	31-03-2025
	01-01-2025 / 31-12-2025	31-03-2026
	01-01-2026 / 31-12-2026	31-03-2027
	01-01-2027 / 31-08-2027	31-01-2028

in IATI under 'related documents/ document link'.

	01-01-2024 / 31-12-2024	31-03-2025
Annual financial progress report	01-01-2025 / 31-12-2025	31-03-2026
	01-01-2026 / 31-12-2026	31-03-2027
	01-09-2023 / 31-12-2024	31-05-2025
(Annual) audit opinion & audit report as per audit guidelines	01-01-2025 / 31-12-2025	31-05-2026
	01-01-2026 / 31-12-2026	31-05-2027
	01-01-2027 / 31-08-2027	31-01-2028
Final financial and narrative report	01-09-2023 / 31-08-2027	30-11-2027
Mid-term review (Commissioned by EKN)		
	01-09-2023 / 31-08-2025	31-12-2025
ToR		
Report		
Final Evaluation (Commissioned by EKN)		
	01-09-2023 / 31-12-2026	30-06-2027
ToR		
Report		

[1] https://www.government.nl/documents/publications/2021/07/29/how-to-use-the-iati-standard.

[2] The IATI standard calls for information to be updated at least once every quarter. The ministry would greatly appreciate it if you were to update the information on your activity at regular intervals. This contribution agreement requires you to update the IATI information at least once a year, for the purpose of the annual assessment of your activity's progress.

Both the MTR and the final evaluation will be commissioned by EKN, using the framework agreement.
The ToR's for the Mid-Term review will be writte by (period) and discussed with the leading partner. The evelaution will be conducted in (date) and report will be ready by (dated.
The ToR's for the End-Term Evaluation will be written by (period) and discussed with the leading partner. The evaluation will be conducted in (date) and report will be ready by (date).

Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs.
- Is the budget arithmetically correct?
- Are the amounts/rates in the budget acceptable?
- Briefly explain the structure of the budget.
- Are overheads proportional to outputs? What is included? What is recharged?
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended)
- Is the budget suitable as a management tool (linking outputs to budget)?

Currency: EURO	Year 1	Year 2	Year 3	Year 4	Total
Total direct costs per cost type					
Personnel	2,822,393	3,331,007	3,314,287	2,904,323	12,372,009
Consultancy	447,787	531,971	352,572	384,368	1,716,698
Travel	442,695	478,260	502,554	520,847	1,944,355
Research Institutes	100,000	100,000	100,000	100,000	400,000
Investments	546,132	-	-	-	546,132
Other procurement (services, consumables)	242,904	71,570	124,885	77,389	516,748
Other direct costs	1,044,904	3,326,105	3,014,791	1,192,272	8,578,072
Contingency	18,502	221,548	419,728	538,936	1,198,713
Total direct costs	**5,665,317**	**8,060,460**	**7,828,816**	**5,718,134**	**27,272,727**
Total direct costs per output					
Output 1 - SSFPs sustainably improve their performance	3,031,856	3,159,296	3,069,480	2,813,542	12,074,175
Output 2 - Targeted VCs are more efficient, climate-resilient, and inclusive	977,995	3,352,544	3,080,880	1,254,459	8,665,877
Output 3 - Improved enabling environment for food businesses and producers	574,015	681,916	714,618	662,623	2,633,172
Monitoring & Evaluation and Administration	1,081,451	866,704	963,839	987,510	3,899,504
Total direct costs	**5,665,317**	**8,060,460**	**7,828,816**	**5,718,134**	**27,272,727**
Total direct costs per partner					
TechnoServe	3,257,923	5,299,973	5,182,481	3,257,255	16,997,631
Resilience	1,328,123	1,566,165	1,740,058	1,595,951	6,230,296
Zambezi Valley Development Agency	466,434	563,383	591,209	539,994	2,161,020
ADEM	612,837	630,939	315,069	324,935	1,883,779
Total direct costs	**5,665,317**	**8,060,460**	**7,828,816**	**5,718,134**	**27,272,727**
Overhead 10% of total direct costs	**566,532**	**806,046**	**782,882**	**571,813**	**2,727,273**
Grand total programme costs	**6,231,848**	**8,866,506**	**8,611,698**	**6,289,948**	**30,000,000**
Sources of income to finance the programme					
Implementing organisation's + partners' own contribution	-	-	-	-	-
Firm commitments by other donors	-	-	-	-	-
Requested Embassy contribution	6,231,848	8,866,506	8,611,698	6,289,948	30,000,000

Still to be financed	-	-	-	-	-
Soft commitments by other partners/donors	-	-	-	-	-
Uncovered balance	-	-	-	-	-

Earmarking
No, the Dutch contribution isn't earmarked.

Prepayments
The payments need to be entered as prepayments. Based on the assessment of risks in the decision tree payment schedule, 12 month's payments are applicable. This is conditional on reporting complied with (see reporting obligations below) and on the liquidity plans including previous expenditures, to be submitted by TechnoServe with the payment requests.

Available resources

	EUR
Implementing organisation's own contribution	0
Firm commitments by other donors (for each donor)	0
Dutch contribution	30.000.000
Total available resources	30.000.000
Budget needed	30.000000
Still to be financed	0
Soft commitments by other donors (for each donor)	0
Uncovered balance	0

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.?
- If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity?

Grant with a repayment obligation, loans, equity investment or guarantee
Not applicable.

Audit opinions
According to the decision tree regarding monitoring, the organisational capacity is adequate, the activity related risks are low and the budget is over 5 million Euro. Based on that an annual audit opinion and a report of findings is requested to ascertain whether the funds have been properly spent. Additional measures do not need to be taken to determine whether the beneficiary has met its obligations, as the narrative and financial reports produced by the beneficiary will be sufficient.
After the audit opinion has been received and approved, the precise amount of the ministry's contribution can be calculated and the prepayments can be adjusted.