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Smallholder Sustainability
Upscaling Programme

ENHANCING RESILIENCE IN THE AGRICULTURAL SECTOR THROUGH CLIMATE INSURANCE IN MOZAMBIQUE



Africa



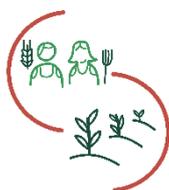
Latin America



Asia



Financial services delivery



Capacity building for end beneficiaries



Market access and product development



Management systems improvement

CONTEXT

Gaining independence from Portugal in 1975, Mozambique has since worked to overcome civil conflict and build a stable democracy. With a population of over 30 million, Mozambique is one of Africa's fastest-growing economies, driven by agriculture, mining, and energy sectors. Its official language is Portuguese. The country's tropical climate and diverse ecosystems support a unique blend of wildlife and agriculture. Agriculture is Mozambique's economic backbone, employing over 70% of the workforce. The sector is dominated by smallholder farmers, producing staples like maize, cassava, and rice. Mozambique is also a significant producer of cash crops such as cashew nuts, cotton, and tobacco. Challenges include climate variability, limited infrastructure, and access to markets. However, the government and international partners are investing in irrigation, technology, and value chains to boost productivity and food security. The sector holds immense potential for growth and poverty reduction.

CURRENT STATUS OF THE BENEFICIARY ORGANISATION

Microbanco Confiança SA is a licensed financial institution in Mozambique with a strong rural presence and a strategic focus on serving underserved communities. Its loan portfolio primarily supports sectors such as agriculture, trade, and services, and it operates 12 branches, mostly in rural areas of the southern provinces. It counts over 8,500 clients and almost 100 employees. As the only Mozambican MFI with an explicit rural mandate, it plays a critical role in financial inclusion for smallholder farmers.

OBJECTIVE OF THE PROJECT

The objective of the project is to strengthen the financial resilience of smallholder farmers by embedding tailored climate insurance into the agri-finance offering of Microbanco Confiança SA.

The expected results of the project are:

- Develop one bundled parametric insurance product covering flood and drought risks.
- Provide first-time access to affordable climate insurance to 1,000 smallholder farming households, at least 50% of which are women.
- Train 4,000 smallholder farmers in financial literacy through community sessions and digital tools.

PRIORITY TOPICS

- Environment and climate change
- Food security and improved nutrition
- Gender equality
- Fair agrifood systems

IMPACT INVESTOR



BENEFICIARY ORGANISATION

Microbanco Confiança SA (MFI) - Mozambique

TARGET

4,000 smallholder farmers

AGRICULTURAL VALUE CHAIN

Rice, sugarcane

STARTING DATE

February 2026

DURATION

18 months

TOTAL TA BUDGET

€144,291
Including €114,639 (79%)
contribution from SSNUP

