Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative



Mozambique

HAND-IN-HAND INITIATIVE | 2026 INVESTMENT FORUM

IMPORTANT NOTES

FAO'S HAND-IN-HAND INITIATIVE

The investment opportunities presented in this document derive from government-led investment plans developed under FAO's Hand-in-Hand (HIH) Initiative. The Initiative supports countries in identifying high-impact agrifood system investments through a combination of data-driven territorial analysis, value chain assessments, and close collaboration with national counterparts. Using the Hand-in-Hand Geospatial Platform, the Initiative integrates geospatial, biophysical, and socio-economic data to identify priority "green zones" where agricultural potential and poverty incidence overlap, creating strong opportunities for transformative investment. Based on these analyses, national governments lead the development of investment plans that identify priority value chains, key bottlenecks, and potential investments required to accelerate agrifood system transformation. These investment opportunities aim to raise incomes, improve nutrition, and empower poor and vulnerable populations, while strengthening resilience to climate change and supporting the sustainable management of natural resources. The Initiative focuses on territories where targeted investments can generate the greatest impact in reducing poverty and hunger, contributing to progress towards Sustainable Development Goals SDG1 (No Poverty), SDG2 (Zero Hunger), and SDG10 (Reduced Inequalities), while balancing economic growth, social inclusion, and environmental sustainability.

IMPORTANT CLARIFICATIONS

The opportunities presented in this document are derived from government investment plans and reflect national development priorities identified through the Hand-in-Hand Initiative. FAO provides analytical and technical support in the identification and assessment of these opportunities and facilitates engagement with potential partners. The concepts presented are indicative and require further structuring and discussion with the relevant governments and potential investors. This document therefore presents a pipeline of government-prioritized agrifood investment opportunities that have been pre-screened using FAO's Hand-in-Hand analytical tools. FAO can support interested partners by facilitating technical exchanges and follow-up discussions with relevant government counterparts.

IMPACT TAGS

Investment cases are classified across four impact areas to highlight their primary development contributions and ensure comparability across countries and value chains.

- **Livelihoods** — Income, productivity, jobs, and market access
- **Gender & Youth** — Inclusion and opportunities for women and young people
- **Planet & Environment** — Climate resilience and sustainable resource management
- **Digital** — Use of technology to improve efficiency and access

MOZAMBIQUE

A young, land-rich agrifood economy at the gateway to six landlocked neighbors, backed by strong political commitment to unlock private investment

KEY INVESTMENT SIGNALS

POPULATION

35.0M

(MILLION)

NATIONAL POVERTY RATE

65.0%

(%)

ARABLE LAND

36.0M ha

(MILLION HECTARES)

INVESTMENT CASE

STRATEGIC TRADE GATEWAY

- 3 deep-water ports (Nacala, Beira, Maputo) plus 10+ secondary ports
- Direct maritime and overland access for landlocked neighbors
- Proximity to growing Southern/East African import markets
- Long coastline positions the country as a regional logistics and export hub

INVESTOR-FRIENDLY POLICY

- Corporate tax reduced from 32% to 10% for agriculture
- VAT exemptions on agricultural/irrigation inputs and first 3 transactions
- Reduced electricity tariffs for the sector
- National strategy (PEDSA 2030, revised and extended to 2036) and recovery plan (PRECE) prioritize business farming and private participation

UNTAPPED GROWTH POTENTIAL

- Young, fast-growing workforce entering the labor market
- Vast productive capacity still underexploited nationwide
- High unmet domestic demand across staple food categories
- Government actively facilitating land tenure for strategic investors

MOZAMBIQUE: INVESTMENT PORTFOLIO

Building a competitive, import-substituting rice value chain through integrated investment in seeds, irrigation, and processing

INVESTMENT PLAN **MOZAMBIQUE**	INVESTMENT CASE **1. SEEDS**	INVESTMENT CASE **2. IRRIGATION**	INVESTMENT CASE **3. PRODUCTION & PROCESSING**	INVESTMENT CASE **4. MECHANIZATION**
IMPACT TAGS	IMPACT TAGS	IMPACT TAGS	IMPACT TAGS	IMPACT TAGS
INVESTMENT **USD 135.1 million**	INVESTMENT **USD 8.7 million**	INVESTMENT **USD 89.8 million**	INVESTMENT **USD 29.1 million**	INVESTMENT **USD 7.5 million**
NPV **USD 26.8 million**	NPV **USD 3.3 million**	NPV **USD 12.7 million**	NPV **USD 7.5 million**	NPV **USD 3.3 million**
AVG IRR **27.3%**	IRR **34.0%**	IRR **19.0%**	IRR **21.0%**	IRR **35.0%**
DIRECT BENEFICIARIES **11.7 thousand**	DIRECT BENEFICIARIES **0.5 thousand**	DIRECT BENEFICIARIES **10.8 thousand**	DIRECT BENEFICIARIES **0.3 thousand**	DIRECT BENEFICIARIES **68**
INDIRECT BENEFICIARIES **17.6 thousand**	INDIRECT BENEFICIARIES **9.6 thousand**	INDIRECT BENEFICIARIES **3.8 thousand**	INDIRECT BENEFICIARIES **4.0 thousand**	INDIRECT BENEFICIARIES **0.3 thousand**
AVG PER CAPITA INCOME INCREASE **+USD 1,682**	PER CAPITA INCOME INCREASE **+USD 2,316**	PER CAPITA INCOME INCREASE **+USD 2,926**	PER CAPITA INCOME INCREASE **+USD 579**	PER CAPITA INCOME INCREASE **+USD 908**
GHG IMPACT **-434.1 thousand tCO2-e**	GHG IMPACT **+7.9 thousand tCO2-e**	GHG IMPACT **-462.2 thousand tCO2-e**	GHG IMPACT **+2.8 thousand tCO2-e**	GHG IMPACT **+17.4 thousand tCO2-e**

1. SEEDS

From seed scarcity to a structured, private-sector-led supply chain for certified rice seed

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 8.7M
(MILLION)

NPV
USD 3.3M
(MILLION)

IRR
34.0%
(%)

RATIONALE

- Certified seed use remains marginal nationwide
- Multiplies limited high-quality seed stock into commercial-scale supply through a standard certification process
- Reaches 455 seed multipliers, ~9,600 downstream farmers

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)	
1. Limited availability & weak commercialization of certified seeds/inputs	Private	Certified seed processing facility (1,875 t/year capacity) (USD 1.6 million)
2. Insufficient scale for certified seed multiplication	Private	250 ha investor-managed certified seed production (USD 6.9 million)
3. Weak integration of smallholder seed multipliers into value chains	Private	500 ha smallholder-based multiplication (outgrower model) (USD 0.2 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
0.5K
(THOUSAND)

INDIRECT BENEFICIARIES
9.6K
(THOUSAND)

PER CAPITA INCOME INCREASE
+2,316
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
+7.9K
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

2. IRRIGATION

Unlocking Zambezia's irrigation potential to move rice production from rain-fed risk to reliable output

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 89.8M
(MILLION)

NPV
USD 12.7M
(MILLION)

IRR
19.0%
(%)

RATIONALE

- Only 1,220 of 3,750 ha irrigated; 100,000 ha more possible
- Solar, pay-as-you-use model cuts smallholder cost barrier
- Reaches 9,643 farmers, 3,800 seasonal jobs
- PPP structure splits infrastructure risk public/private

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)	
1. Limited capacity to structure/manage large-scale schemes, and limited smallholder access to affordable, reliable irrigation	Public	Construction/rehab of 15,000 ha irrigation schemes (USD 60.0 million)
2. High-cost structure of irrigation service provision	Private	Solar-powered water distribution + pay-as-you-use (USD 13.3 million)
3. Weak integration of smallholders into structured value chains	Private	15,000 ha outgrower schemes development (USD 16.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
10.8K
(THOUSAND)

INDIRECT BENEFICIARIES
3.8K
(THOUSAND)

PER CAPITA INCOME INCREASE
+2,926
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-462.2K
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

3. PRODUCTION AND PROCESSING

Closing the milling gap to convert paddy surplus into processed rice

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 29.1M
(MILLION)

NPV
USD 7.5M
(MILLION)

IRR
21.0%
(%)

RATIONALE

- Only ~70% of processing capacity in use; imports cover 2/3 of demand
- New 30,000 t/year facility absorbs upstream paddy surplus
- 1,650 ha nucleus model fixes fragmented production
- Rice consumption growing fastest of any food category (8.6%/year)

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Limited local processing capacity & weak value addition	Private: Rice processing facility (30,000 t/year capacity) (USD 17.1 million)
2. Fragmented, small-scale production systems	Private: 1,650 ha nucleus rice farming (USD 12.0 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
0.3K
(THOUSAND)

INDIRECT BENEFICIARIES
4.0K
(THOUSAND)

PER CAPITA INCOME INCREASE
+579
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
+2.8K
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

4. MECHANIZATION

Replacing manual labor with shared mechanization services to expand cultivated area

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 7.5M
(MILLION)

NPV
USD 3.3M
(MILLION)

IRR
35.0%
(%)

RATIONALE

- Manual labor dependence raises costs and caps area smallholders can farm
- Centre supplies tractors and implements for land prep, planting, levelling
- Outgrower integration ensures steady demand and equipment utilization
- Directly supports Mozambique's national push to mechanize rice farming

KEY BOTTLENECKS

1. High dependence on manual labor raises production costs and limits cultivated area; limited access to affordable mechanization services and equipment availability

PROPOSED INVESTMENTS(*)

Private

Mechanization service center: 32 tractors + implements for land preparation, planting, laser levelling, and transport, plus workshops and machinery sheds (USD 7.5 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
68

INDIRECT BENEFICIARIES
0.3K
(THOUSAND)

PER CAPITA INCOME INCREASE
+908
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
+17.4K
(THOUSAND tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative



Mozambique

HAND-IN-HAND INITIATIVE | 2026 INVESTMENT FORUM

Click here to see full Investment Note:

Click here to request a bilateral meeting: