

MOZAMBIQUE

NATIONAL CLIMATE FINANCE STRATEGY 2025–2034

(Resolution No. 37/2025)

November 2025



The Council of Ministers approved the National Climate Finance Strategy 2025–2034, which sets out the vision and action plan for mobilising and applying national and international climate finance in Mozambique in a transparent and efficient manner.

Background and objective

The Council of Ministers approved the National Climate Finance Strategy (ENFC) 2025–2034, which sets out the vision and action plan for mobilising and applying national and international climate finance in Mozambique in a transparent and efficient manner. The ENFC aims to increase economic, social and environmental resilience to the impacts of climate change and stimulate the mobilisation and application of financial resources for climate action, aligning public policies, the tax system and the financial system with the country's international commitments and the National Development Strategy 2025–2044. The **vision** is to position the country as a benchmark in the mobilisation and application of resources for climate action. The **mission** is to increase financial resources for sustainable and resilient development. The overall **objective** is to mobilise and guide key actors in the transparent and efficient mobilisation of financial resources. The strategy is structured around five strategic areas:

- i) creating a favourable regulatory environment;
- ii) integrating climate into budgetary and fiscal management;
- iii) reorienting the financial system towards green investments;
- iv) strengthening capacities in the public, private and higher education sectors; and

- v) improving access to climate finance, including innovative instruments.

It provides for an independent mid-term review in the fifth year and a final review in 2034.

Five strategic areas and high-priority actions

The ENFC is organised into five pillars, supported by a matrix of actions with responsible parties, indicators and targets:

1. Reform of the legal framework

Systematic updating of sectoral regulatory instruments to integrate climate change issues; institutionalisation of green *procurement*; creation of a green and transition taxonomy defining eligible investments; creation of a Mozambique Climate Fund. It is also planned to review and update the National Environment Policy and approve a basic law on climate change.

2. Tax system reform

Introduction of green tax incentives and green taxation (polluter pays); creation of a green budget marking system; establishment of green budgeting practices and integration of climate into planning and budgeting; strengthening of the Disaster Management Fund (FGC) and decentralisation of its implementation.

3. Financial system reform

Development and implementation of an Inclusive Green Finance roadmap; guidance for the issuance of innovative climate finance instruments (green bonds, guarantees, refinancing) and adoption of Forecast-Based Financing (FbP); development of the climate insurance market with a focus on agricultural insurance; creation of credit lines for Micro, Small and Medium Enterprises (MSMEs) with climate impact.

4. Strengthening national capacities

Ongoing training for public administration (central and local), the private sector and higher education in climate finance; creation of a national repository of opportunities and knowledge on climate change and climate finance; further decentralisation with a focus on implementation and resource mobilisation at local level.

5. Access to climate finance

Definition of an inclusive governance model for coordinating access to climate funds; strengthening access to carbon markets with the adoption of a regulatory framework; implementation of a roadmap for implementing a Measurement, Reporting and Verification (MRV) system for climate support received and required; *blended finance* pilots in strategic sectors; mapping and structuring of *debt-for-climate swaps*; creation of Climate Finance Units in provinces and municipalities.

Priority financial instruments

The ENFC prioritises five financial instruments, given the context of adaptation needs, fiscal pressure and financial market deepening:

- Grants, due to their non-reimbursable nature and catalytic role in capacity building and social investment.
- Debt-for-climate swaps, to expand fiscal space and direct resources to climate projects.
- Climate risk insurance, with an emphasis on agro-climatic products and integration into public programmes.
- Forecast-Based Financing (FbP), for automatic disbursements anchored in scientific forecasts.
- Carbon credits, anchored in a robust regulatory framework and MRV, with a strong focus on forests.



Governance, monitoring and transparency

The coordination of the implementation, monitoring and evaluation of the strategy will be carried out by a Technical Coordination Council, led by the Ministry of Planning and Development (through the National Directorate for Climate Finance), involving sectoral ministries, the National Institute for Disaster Management and the Bank of Mozambique.

The model is based on:

- Coordination and collaboration between the various stakeholders, on a multisectoral and multilevel basis;
- Monitoring through evaluation of results, effectiveness and impact of the initiatives implemented and the necessary adjustments, as well as regular progress reports;
- Dissemination, communication and awareness-raising through a participatory platform to be created.

Expected impacts

With the implementation, Mozambique aims to: i) significantly increase the mobilisation of climate finance, including private sources; ii) systematically incorporate climate risk into budgetary and financial decisions; iii) strengthen the resilience of public infrastructure and services; iv) promote green financial inclusion and climate social protection; and v) position itself as a regional benchmark in mobilising and applying resources for climate action.

Who is impacted

Companies and financial institutions, especially capital-intensive sectors and those exposed to climate change (agriculture, forestry, water and sanitation, energy, transport and construction);

central and subnational public entities; MSMEs with transition and adaptation projects; academia and civil society organisations working in financing, training and MRV; as well as carbon project developers and investors in sustainable finance.

What matters now

Economic and financial operators should map climate risks and opportunities in their portfolios, prepare for ESG reporting and taxonomy requirements, and structure pipelines of projects eligible for green instruments. Public entities should begin integrating climate considerations into planning and budgeting, prepare green labelling methodologies, and train teams to access funds and execute locally. Carbon promoters should anticipate carbon market and MRV requirements and structure benefit-sharing models with communities.

Next institutional steps

- Phased implementation of matrix actions 2025–2034, with priority regulatory milestones between 2026–2028 (taxonomy, ESG, green procurement, Climate Fund).
- Operationalisation of the governance model and MRV system for climate support.
- Launch of blended finance, FbP and climate insurance pilots.
- Development of the regulatory and institutional framework for carbon markets and negotiation of bilateral/multilateral agreements.

At a time when COP 30 is taking place in Belém, Brazil, and one of the topics under discussion is climate finance, this is a unique opportunity to promote discussion and effective implementation of this strategy.

Contacts



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