FINANCIAL PRODUCTS AND INCENTIVES AVAILABLE FOR THE AGRICULTURAL SECTOR OF MOZAMBIQUE

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I. ACRONYMS

AECF	African Enterprise Challenge Fund
AFAP	African Fertilizer and Agribusiness Partnership
AfDB	African Development Bank
AGRA	Alliance for Green Revolution in Africa
AMSCO	African Management Services Company
BADEA	Arab Bank of African Economic Development
BCI	Banco Comercial e Investimentos
BNI	National Investment Bank
BTM	Banco Terra de Moçambique
CCOM	Caixa Comunitária de Microfinanças
CLUSA	Cooperative League of the USA
CPL	Cooperative of the Limpopo Producers
CTA	National Business Confederation
DCA	Development Credit Authority
DFID	Department for Internationl Development
DUAT	Land use right
EEF	Forest Development Scheme (MozFip Project)
EGOC	Partial Guarantee Scheme for Sustenta Credit
EU	European Union
FAE	Fund for Agribusiness and Entrepreneurship
FARE	Fund for Economic Rehabilitation
FCID	Catalytic Fund for Innovation and Demonstration
FDD	District Development Fund
FFP	Fishing Development Fund
FNDS	National Fund for Sustainable Development
FPC	Central Bank's reference rate
FUNAE	National Electricity Fund
IFAD	International Fund for Agricultural Development
KFW	Kreditanstalt für Wiederaufbau (German development bank)
LGF	Loan Guarantee Fund
MBS	MyBucks Banking Coprporation
MG	Matching Grant
MLTC	Mozambique Leaf Tobacco Company
MSME	Micro, small and medium enterprises
MZN	National currency – metical

NGO	Non governmental organization
NUIT	Tax identification number
PIGA	Partnership for Investment and Growth in Africa
REFP	Rural Enterprise Finance Programme (REFP)
SIDA	Swedish Internationl Development Agency
SOCREMO	Sociedade de Crédito de Moçambique
SME	Small and medium enterprises
TA	Technical assistance
TIGF	Thembani International Guarantee Fund (TIGF)
TVET	Technical Vocational Education Training
USAID	United States Agency for International Development

II. DEFINITIONS

Agro-garante - the bank's adhesion to the Credit Guarantee Fund;

Bancarizacao - the level of access to and the degree of use of formal financial services generally and banking services particularly;

Collateral - property or other asset that a borrower offers as a way for a lender to secure the loan;

Development Finance institution or development bank - a financial institution that provides risk capital for economic development projects;

Equity Funds - an open or closed-end fund that invests primarily in stocks, allowing investors to buy into the fund and thus buy a basket of stocks more easily than they could purchase the individual securities;

Grant - Bounty, contribution, gift, or subsidy (in cash or kind) bestowed by a government or other organization (called the grantor) for specified purposes to an eligible recipient (called the grantee);

Guarantee funds - money that a stock exchange keeps in order to pay investors if a company on its list is unable to pay;

Loan - money, property or other material goods given to another party in exchange for future repayment of the loan value amount, along with interest or other finance charges;

Long rotation in EFF - Species grown for high-value saw logs, normally are grown on 20 to 50-year rotations;

Matching grants - the stipulation set by a grant-providing body that the recipients of a grant raise a certain percentage of the money they require, generally a sum more or less equal to that of the sum of money being granted;

Short rotation in EFF - an integrated agro-forestry land-use system combining biomass production with wastewater use and purification, normally are grown on under 10 year rotations for pulp or wood fuel.

1 INTRODUCTION & BACKGROUND

At the beginning of 2018, Pippy Gardner of the American NGO CLUSA produced a comprehensive review of financial products available for the agricultural sector. This report is an updated and extended version of that study produced by GIZ ProEcon in collaboration with CLUSA. Over the 10 month period since the original CLUSA study, we have witnessed some significant changes in the financial landscape, notably: i) the emergence of the state-owned National Investment Bank (BNI) as the manager of several donor lines of credit and government-funded guarantee funds; ii) a significant increase in the amount of potential loan capital available for agriculture through the commercial banks; iii) the appearance of new major externally based funding mechanisms; and iv) innovative arrangements between the private sector and commercial banks to help smallholder contract farmers access finance.

During this period, the prime rates of interest dropped from about 28% to under 20%. The period was also marked by a shift in government thinking about providing finance which has usually been highly subsidized and with negligible repayment rates due to government's reluctance to act on defaulters. Instead, the government is leveraging commercial bank lending to the agricultural sector through the creation of guarantee funds.

Agricultural credit was said to be difficult to obtain and expensive. This study has shown that there is a wide variety of financial products available for the agricultural sector with a broad range of conditions and costs (often subsidized) What the consultant has not been able to establish is how difficult it is to get loans from commercial banks, many of which remain under-capacitated in terms of evaluating and managing agricultural loan requests. The list of products presented is simply information that was obtained from the financial institutions and product managers or implementers. No testing of the product was undertaken but some feedback was obtained from some clients. It was not the task of the consultant to evaluate and rate the quality of the products.

This study only serves as a guideline for agri-businesses about what agricultural financial services are available along with contacts for each provider. As witnessed by the consultant during the time he was working on the assignment, financial products are constantly changing and should be regularly monitored. Unfortunately, not many are advertised in the media, so it will be up to the potential user or consultants to research the various options available.

Section two is divided into 8 sub-sections covering the different categories of financial products encountered (commercial bank loans, development finance, microfinance loans, government managed financial products, matching grants, guarantee funds, equity finance, and others).

Section three briefly reviews recent developments and new trends that are likely to affect agricultural and rural finance and presents a few recommendations.

2 REVIEW OF FINANCIAL PRODUCTS

2.1 Conventional Commercial Bank Retail Loans

Conventional banks have been very cautious about entering agricultural lending apart from financing of the mainly seasonal requirements of the three main agricultural export industries – sugar, tobacco and cotton. Increasingly, the banks, especially Standard Bank, have been lending to tree-crop plantation companies, in particular banana, litchis and macadamia. The costs of finance (prime rates) since the financial crisis of 2016 hovered around 28–30%, which rose substantially above the lows of around 14% of a few years ago. Recently, the rates have started to decline again to just over 19%, which is encouraging but still considered too high by most agri-businesses. Several donors (e.g. USAID, World Bank, IFAD or international development banks (KFW)) are financing lines of credit, grant schemes or equity arrangements that have been designed to reduce the cost of working or longer-term capital.

The existence of several guarantee funds, especially the Danish funded *agro-garante* (targeting any commercial bank interested) and DCA/SIDA funded guarantee funds which specifically targets Banco Oportunidade/MyBucks and Banco Terra de Moçambique (BTM). These guarantee funds have made some positive but so far slow impact on increasing commercial bank lending to the sector.

BTM has devoted the largest share of its portfolio to agriculture, while Standard and Barclays have been traditional lenders to the big agri-exporting companies. BCI has, through USAID funding, accumulated experience in funding the cashew industry and is slowly building up its portfolio in SME agri-business lending. It has recently launched its KFW financed credit line with subsidized lending rates (see below) and very recently lending lines targeting soy farmers. Millenium BIM, largely through its use of *agro-garante*, is slowly building up its agricultural portfolio. During the evaluation of the *agri-garante* sub-component of the overall *agri-investe* programme, it was observed that the volume of lending reflected the agricultural knowledge or lending experience of the local bank managers. Hence, Millenium BIM's agricultural portfolio in the Chokwè area was much higher than other areas due to comparative agricultural experience of the branch manager.

Other commercial banks to look out for are Banco ABC which is showing an increasing interest in agricultural SME lending and the Chinese-owned, recently established bank Banco Mais, which is looking at financing agri-businesses linked to Chinese investors through the PIGA programme (see below).

The biggest obstacle to increased commercial lending to agri-businesses is the combination of i) the incipient knowledge of the banking system in newer areas of agricultural business initiatives and ii) the inability of potential agri-business borrowers to complete meaningful loan applications. The experience of the NGO Building Markets focused on bridging these gaps by providing technical assistance to both bank staff and SME agribusinesses. Unfortunately, with a cut in its funding, this initiative has ceased.

For reasons that are not clear, over the past 2–3 months commercial banks have been offering agricultural loans at well below the prime rate in meticais (e.g. Barclays is providing variable interest loans at around 5% below the prime rate with the proviso that guarantees are valued at twice the loan amount).

US dollar loans are now being more commonly provided at rates of around 6–10%.

Table 1: Conventional Commercial Bank Retail Loans

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
Millenium BIM Programme for Relaunching the Private Sector (PRSP) Funded by the Italian Embassy and managed by Moza Bank	Reduced interest loans.	Agricultural production, commodity trading, service provision, agro-industry, leasing. SMEs. Manica, Sofala, Zambézia.	Interest: 10% p.a. Up to MZN 12 million.
Millenium BIM KFW Agricultural Line of Credit (1-year duration until mid-2019)	Reduced interest loans (USD 3 million for 3 involved banks; held by Banco de Moçambique).	Activities in rural areas. MSMEs. National.	Interest: 15% p.a.; no minimum; maximum MZN 15 million; terms up to 7 years; grace period 3 months.
Banco Terra Food Security Promotion	Finance line with reduced interest rate.	Agriculture. MSMEs and large agribusinesses. Chimoio, Angonia, Malema, Nampula City.	Interest: 23.5% (this has decreased since the decrease in the reference rate). for working capital or investments. MZN 500,000–2.5 million. Conditions the same as standard loans.
Banco Terra (funded by the Ministry of Finance)	Standard fixed term loans.	Agriculture. SMEs and upwards. All provinces.	Interest: reference rate (FPC) plus BTM spread; Min. MZN 500,000. Payment terms to be negotiated on case by case basis.
Moza Programme for Relaunching the Private Sector (PRSP) Funded by Italian Embassy; Moza is manager	Reduced interest loans.	Agricultural production, commodity trading, service provision, agri-industry, leasing. SMEs. Manica, Sofala, Zambézia.	Interest: 10% p.a. Up to MZN 12 million. Usual requirements apply: must have a Moza account, NUIT (individual tax identity), collateral, etc.
BCI Programme for Relaunching the Private Sector (PRSP)) funded by Italian Embassy)	Reduced interest loans.	Agricultural production, commodity trading, service provision, agri-industry, leasing. SMEs.	Interest: 10%p.a., up to MZN 12 million.

Institution Name of Product	Type of Loan	Target Sector Type of Enterprise Eligible Areas	Terms
		Manica, Sofala, Zambézia.	
BCI KFW Agricultural Line of Credit (one year until end 2019)	Reduced interest loans (USD 3 million for 3 involved banks -held by Banco de Moçambique).	Activities in rural areas. MSMEs. National.	Interest: 15% p.a.; no minimum; maximum MZN 15 million; terms up to 7 years; grace period 3 months.
BCI N/A	Standard fixed term loans.	Agriculture. SMEs. National.	Normal interest rates (reference (FPC) plus up to 4% spread); usual conditions apply; BCI has an agro-desk. Projects are evaluated locally and referred to the agro-desk for further support if required. Also, overdrafts and leasing.
Barclays N/A	New multi-sector capex loans with reduced interest.	All sectors. Medium-large companies. National.	Interest: 15–17% p.a. (variable and revised annually); 24–60-month loans ranging from MZN 15 million–2 billion; guarantees must be valued at least twice the value of the loan.
Barclays N/A	Standard agricultural finance (fixed term loans).	Agriculture. Standard finance for agri-businesses. Focus on medium to large. No specific products for smallholder farmers, emerging farmers, or MSMEs. For higher risk projects can make payments direct to suppliers, negotiate more flexible repayment structures etc. National.	Usual finance conditions apply starting with interest around 22% (lower now); up to MZN 30 million; up to 7 years for investments and 12 months for working capital.
Barclays N/A	Agricultural equipment finances with Lonagro (John Deere dealer). Negotiating for more flexible payment schedule (client starts to repay 12	Agriculture. MSMEs. All provinces.	Lonagro pays first instalment, client pays 20% of equipment value, subsequently client pays remainder in tranches (including maintenance package, 4 x services per annum).

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
	months after receiving equipment).		
Standard Bank N/A	Standard agricultural finance and fixed term loans.	Agriculture; focus on tree crops. Medium companies and upwards. All provinces.	Usual conditions for commercial loans. Interest: Central Bank reference rate (FPC) plus spread of 0.5–4%).
Standard Bank N/A	Leasing (see Barclays & John Deere).		Can do leasing with other equipment suppliers, but no formal agreements signed yet.
Banco Unico N/A	Standard agricultural finance and fixed term loans.	Agriculture. Medium firms and upwards. All provinces.	Interest rates like other banks for self-financed loans.
Socremo Bank (Microbanco)	SME loans.	All sectors but generally not agriculture. Whole country except Cabo Delgado and Tete. Has 14 agencies in whole country.)	Interests rate: Depends on various factors (not provided), especially the quality of guarantees. Loan values: MZN 351,000–7 million; commission 1.5% of loan. Guarantees: mortgage on fixed property; pledge of movable property; guarantor.
Socremo Bank (Microbanco)	Micro loans.	Mainly trading. As above.	Interests rate: Depends on various factors but average is 58% p.a.: commission 1% of loan; value ranges from MZN 5,000–350,000; terms 3–24 months; guarantees: household assets, fixed asset, commercial stock, house, car, guarantor, fixed term deposit. Eligibility: must be located within 10 km of an agency, at least 6 months of experience with the supported business, regular monthly income.

2.2 Development Financing (Loans)

GAPI is currently the only Development Finance in the country. It manages or delivers a wide variety of products including micro and SME loans through donor-financed credit lines, guarantee funds. Prior to the dominance of the BNI, GAPI was the focal institution for managing and disbursing donor funds intended for stimulating private sector loan financing.

Table 2: Development Financing (Loans)

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
GAPI (Development Finance Bank) Agri Empreender (funded by Danida until end 2019)	Loan.	Agriculture; commodity trading, poultry; excludes forestry. MSMEs. All provinces.	Interest: 18% p.a. Maximum MZN 3 million; up to 36 months; collateral: as a general rule min. 120% of loan value; other standard loan requirements.
GAPI BADEA (Arab Bank of African Economic Development)	Loan.	Agriculture, small industry, agro-industry, services; excludes tourism. MSMEs. Nampula, Cabo Delgado, Niassa.	interest 18–32% p. a.; MZN 900,000–9 million; up to 36 months; Collateral: at least 120% value of loan; other standard loan requirements.
GAPI Own funds	Loan.	General (all sectors). MSMEs. All provinces.	Interest: 18–32% p/a; Maximum MZN 5 million; up to 5 years; for working capital or investments; Collateral: at least 120% value of loan; other standard loan requirements.
GAPI Agri Jovem (Danish funded until end 2019)	Loan.	Agriculture, poultry; forestry excluded. Young entrepreneurs aged 18 to 35; GAPI partners with training institutions to train students, identify potential clients and provide TA. All provinces.	Interest: 12% p.a.; Maximum MZN 700,000; 36 months; collateral: deposit 1% of loan value.

2.3 Microfinance Institutions (sometimes with SME lending)

Microfinance in Mozambique has gone into a serious decline with only two commercial banks devoted to microfinance, one of which (Socremo) having recently decided to re-constitute itself as a *microbanco* (a category of financial institution which essentially allows it to operate like a commercial bank but with lower capital requirements), while the other (Opportunity Bank, now MyBucks Banking Corporation (MBC) is focusing increasingly on salaried loans (loans automatically debiting banked salaries). Previous microfinance commercial banks, ProCredit and Tchuma, have been purchased by foreign banks or investors and now operate as conventional commercial banks (Ecobank and Banco Mais). Although Opportunity/MyBucks has had considerable experience in the provision of agricultural loans, partly due to support from the DCA guarantee funds, it has not made any notable effort to expand this portfolio.

IFAD and the AfDB, through the Rural Finance Support Program, have helped create some 70 rural microfinance operators through the government's implementing agency FARE in the hope of promoting more inclusive rural finance to complement the government's policy of *bancarizacao*. Unfortunately, only very few of these MFIs have survived and only a handful (CCOM, Hluvuku and CPL) offer agricultural credit in limited areas of the country (all in the South).

There is considerable potential for MFIs to play an important role in off-taker financing arrangements with aggregator companies, such as Mozambique Tobacco Leaf Company (MLTC), the cotton companies, sugar companies and various smaller aggregators such as poultry, maize, fruit trees, etc. However, recent experiences with late loan approvals and the very high rates of interest charged by the MFIs does not bode well for agricultural microfinance on a large scale, at least for the immediate future.

Off-taker loans have up to now been restricted to seeds, fertilizer and chemical inputs, but the main input – labour – has never been included. However, discussions between the mobile money provider Bibi Money and Opportunity/MyBucks) have brought this possibility closer, allowing MFIs (or any financial institution) to provide mobile money credit to farmers with which to pay their labour (with the credits then being recovered from the off-taker aggregator company). It is not known what stage these discussions have reached.

Opportunity/MyBucks has also been involved in the USAID supported pioneering of warehouse receipts in Mozambique. This system allows farmers to deposit grain with accredited warehouses and use the warehouse receipt as collateral for agricultural loans. This initiative has been slow to take off and it is not sure at this stage whether it will achieve any level of massification (according to the latest communication, the initiative is currently dormant).

Table 3: Microfinance Institutions (sometimes with SME lending)

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
Opportunity Bank (now MyBucks Banking Corporation–MBC) SME Loans	Working capital and investment.	All sectors. Small and medium. Whole country.	Interest: 3.5% per month; Minimum loan amount MZN 400,000–25% of share capital; fees 2% of loan value; minimum tenor 4 months; maximum tenor 60 months.
Opportunity Bank Agri Loans	Production loans (mainly through aggregator off-take; also, solidarity group (minimum 5 members).	Agriculture (focus on agro-dealers, production, sales). Individuals and groups). Manica, Zambezia.	Interest rate: 4.2% per month. Loan size ranges from MZN 10,000–400,000 (average MZN 15,000); plus 2% of loan administration fee; tenor ranges from 35 weeks to 12 months (average 7 months). Collateral needn't be legalised, and can be household goods etc., min 50% of loan value; 15% of loan value must first be deposited in savings account; sales contract preferred.
Opportunity Bank Micro Loans	Individual Loans (mainly for informal traders but now increasingly for salaried workers).	Trading, investment and consumption. Microenterprises and salaried workers. Provinces where MBC has agencies (Maputo, Gaza, Sofala, Manica, Tete, Zambezia and Nampula).	Interest rate 4.2% per month. Loan size ranges from MZN 10,000–400,000 (average MZN 24,000); 2% administration fee; tenor 6 months – 36 months (average 11 months).
Opportunity Bank Warehouse receipts (note: this product is dormant for time being)	Warehouse receipts. Goods deposited in ETG Chimoio warehouse serve as collateral.	Agriculture. MSMEs, emerging farmers, associations, cooperatives etc. So far, this pilot was only tested in Manica Province.	Can finance 70% of value of goods; maximum MZN 500,000 but around MZN 10,000–300,000 more common; 3% interest per month. Repayment: one single payment at end of period, or monthly instalments.
CCOM (in process of becoming a *microbanco*) Agricultural Loans	Loan.	Agriculture. Smallholder farmers. Maputo, Gaza and Cabo Delgado Provinces.	Interest rate 3% fixed per month; minimum loan MZN 10,000; no maximum, but so far MZN 300,000; agriculture loans have 3 time options (90 days, 6 months and 9 months).

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
HLUVUKU Agricultural Loans	Loan.	Agriculture. Smallholder farmers. Maputo Province (all Districts).	Interest rate 2.9% per month (declining balance). Two types of loans offered: i) working capital 3–6 months with interest payments (monthly) with the principle paid at the end of the loan period; ii) longer term loans (including for capital investments) 12–18 month with interest and principle included in monthly instalments. Minimum value MZN 5,000; maximum MZN 500,000. Normally provides individual loans but the MFI can provide group loans; guarantees: moveable assets including equipment acquired through loan.
AFRICA WORKS Micro-enterprise Loans	Micro Credit.	Marked vendors. Informal micro enterprises. Inhambane, Gaza and Maputo provinces.	**Individual Loans:** Interest rate 7.5% per month. Size can vary between MZN 30,000–200,000; guarantees of 150% of loan value; 2–6 months; with successive loans, values go up as well as tenor. **Community Groups:** minimum size 10 members; loan size MZN 4,000–50,000; interest rate as above; 4–6 months. **Special Groups: 4–10** members; loan size MZN 20,000–80,000; interest rate as above; 4–6 months repayment period. **Solidarity Groups: 2–4 members**; loan size MZN 20,000–200,000; interest rate as above; guarantee 95% of loan; 4–6 months repayment period.
AFRICA WORKS Agricultural Loans (Pilot expected to be launched January-April, linked to IFAD-financed project PROSUL)	MSME Loan.	Farmers and processors involved in the value chains of cassava, horticulture and red meat. Currently 17 cassava multipliers selling to aggregator company DADTCO.	(not yet divulged).

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
		Agriculture. Will be piloted in Inharrime, Chokwé and Manhiça.	
CPL **(Cooperative of the Limpopo Producers)** Agriculture Loans (various sources)	Micro credit.	Farmers. Individuals, associations and microenterprises (agriculture). Gaza Province.	Interest "competitive including 10–16% p.a." Loan size ranges from MZN 5,000–50,000; tenor 6–60 months. CPL, in collaboration with AGRA is experimenting with voucher loans (no cash disbursed, only vouchers for purchase of inputs and capital).
CPL Loans for Trade, construction, livestock and consumer goods (Fund for Economic Rehabilitation)	MSME loan.	Various sectors. Individuals and companies. As above.	Loan size ranges from MZN 5,000–300,000; interest rates as above; 3–24 months.
CPL Renewable Energy Loans (National Electricity Fund FUNAE)	MSME loans.	Renewable Energy Sector. Individuals and companies. As above.	Loan size < MZN 1 million; interest rates as above; 12–36 months.
CPL Fishing Loans (Fishing Development Fund FFP)	Micro credit.	Artisanal Fisheries. Individual fishermen, associations, traders, processors. As above.	Loan size ranges from MZN 5,000–300,000; interest rates as above; 6–24 months.
GAPI Microfinance through Associação de Produtores da Ikuru (API) funded by Danida as part of Agri-Empreender	Agriculture.	For small blocks of farmers producing crops for Ikuru (sesame, maize, beans, peanut, seed, cashew). Nampula Province. As per Ribaué details below. Finance for land preparation, production, commercialisation etc. Money disbursed in tranches. Not only for Ikuru members, but any	API identifies farmers in blocks, or EFs; farmers sign production contract with API and loan contract with GAPI. API is guarantor; works like solidarity group.

Institution Name of Product	**Type of Loan**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
		EFs or groups producing Ikuru VCs.	
GAPI Microfinance (from Agri-Empreender funds) (Danida Funded)	Microfinance and groups.	Agriculture; poultry; ag business and industries related to agriculture; other industries e.g. transport, retail. MSMEs (including EFs}. Nampula (Ribaué).	Interest: 4% per month; more flexible than Agri-Empreender; MZN 2,000–250,000; collateral: furniture and non-fixed assets; residence declaration/BI/NUIT/licence; GAPI provides support in organizing documents; finance for groups. Application process generally simplified; collateral: usually at least 120% value of loan, but more flexible than other credit lines and may accept household items etc.; basic ID accepted for registration.
Gestão de Cereais Lda. Microfinance and SME Loans	Agricultural Loans.	Smallholder farmers and SME agro-dealers. Manica Province.	Interest: 4.5% per month; production loans to coincide with production cycle of product; agro-dealer: Loan period to coincide with turnover of product. Reference required.
Andre van der Vyver (name of the FMI company unknown)	Low interest loan.	Agriculture (producers and agro-dealers). Small and medium players involved in agri-business sectors. Manica Province.	Loan size: starting with small amounts (about MZN 20,000) going up to MZN 200,000 (for reliable customers). Rates: 4.5% per month, + 1% commission. If the client pays via M-pesa, he also pays the M-pesa rates (1%). Duration: for production: approximately 3 months (for horticulture). For agro-dealers: depends on the time it takes to sell the particular product (approximately 2 months normally; the customer pays and the money is passed around).

2.4 Government Managed Donor Financed Lines of Credit

The government-owned National Investment Bank (BNI) was originally intended for financing infrastructure but it has now diversified into managing donor lines of credit and government-funded guarantee funds. Previously, the partly government-owned GAPI was usually approached for managing these types of funds and direct lending (see 2.2). Currently, the BNI is managing approximately USD 100 million worth of donor or government financed funds, most of which is supposed to target rural areas.

Table 4: Government Managed Donor Financed Lines of Credit

Institution **Name of Product**	**Type of Product**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
BNI **(NATIONAL INVESTMENT BANK)** Islamic Cooperation for the Development of the Private Sector (ICD)	Line of Credit (USD 20 million).	All. SMEs and large companies (5 SMEs financed in 2018). National.	Loan sizes can vary from MZN 300,000–4 million; grace period up to 12 months.
BNI Rural Enterprise Finance Programme (REFP) (6 years; from start)	Line of Credit (USD 30 million) from IFAD (loan to government).	Rural enterprises (farmers and any other income generating activity). MSMEs. National.	Details still to be decided and may vary between institutions involved.
BNI Fund for Agribusiness and Entrepreneurship (FAE). The FAE falls under the supervision of Agency for the Development of the Zambezi Valley.	Line of Credit (EUR 6 million).	Agriculture. Recent graduates of TVET schools located in Zambézia Valley in the area of agribusiness; enterprises and cooperatives involved in strategic value chains, agribusiness and other similar areas. 71 projects have already been financed for a value of MZN 65 million with another 101 projects being currently analysed for a value of MZN 84 million expected to be approved before the end of the year.	Interest varies from 5–10%; Loans vary from MZN 800,000–1.2 million.

Institution Name of Product	Type of Product	Target Sector Type of Enterprise Eligible Areas	Terms
		Zambezi Valley (Tete, Manica, Sofala and Zambézia).	

2.5 Matching Grants

This is becoming an increasingly popular way of financially supporting the agricultural sector. Up to around 2017, the African Enterprise Challenge Fund played a very important role in the provision of grants and zero interest loans to the agricultural sector, having granted up to USD 1.5 million to some of the better-known emerging agri-businesses. Since then, the AECF has launched lines for renewable energy and crop seeds. The World Bank-financed Catalytic Fund for Innovation and Demonstration has provided a very similar product to the same target group (agriculture). Since then, several other grant schemes have been initiated with a wide range of eligibility (geographic and sectoral).

Table 5: Matching Grants

Institution Name of Product	**Type of Product**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
World Bank/FNDS (National Sustainable Development Fund) Sustenta Cost-share subsidy mechanism (Mecanismo de Subvenções Comparticipadas do Sustenta (MSC))	Matching grants.	Agriculture, animal husbandry (poultry and red meat). Commercial small emerging farmers and MSMEs). Zambézia (Mocuba, Íle, Gilé, Alto Molocué, Gurué) and Nampula (Ribaué, Rapale, Mecuburi, Malema, Laláua).	**Level 1:** Business plans between USD 5,000–100,000: 50% grant and 50% personal contribution (own resources or credit with a minimum of 10% personal contribution in cash). **Level 2:** Business plans between USD 100,001–1,000,000: for the first USD 100,000, the same rules apply as for level 1; for values exceeding USD 100,000, the beneficiary will receive a grant of 20% with the rest being provided by the beneficiary of which a minimum of 10% must be a personal contribution in cash.
World Bank/FNDS Forest Development Scheme of MozFIP (EFF) (2017–2022)	Matching Grants.	SMEs and communities intending to plant forest plantations commercially. SMEs/communities with intention to establish a forest plantation of at least 20 ha (must hold a DUAT of at least 20 ha.). Zambézia (Gurué, Ile, Alto Molocué, Mocuba and Mulevala).	**Short Rotation:** 50% contribution by beneficiary with grant amounts varying between MZN 900,000–11,250,000 (assumption: plantations of 20–250 ha have establishment costs estimated at MZN 90,000/ha.) **Long Rotation:** beneficiary contribution 35% with EFF contribution (65%) ranging from MZN 1,170–14,625,000.

Institution Name of Product	**Type of Product**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
AFAP **(African Fertilizer and Agribusiness Partnership)** AGRA	Matching Grants.	Inputs. Agro-dealer wholesalers and retailers. Zambezi Valley.	**Matching Grants:** 50% MG for facilities and infrastructure, some stock. Wholesalers: USD (equivalent) 20,000–USD 50,000; < retailers: USD 5,000 – USD 10,000. May provide MGs to input companies in some cases, e.g. Mozfert (fertilizer blending factory).
AFAP FAR	Matching Grants and guarantees.	Agro-dealer wholesalers. Sofala.	**MGs:** 50% MG for facilities and infrastructure, some stock. Wholesalers: USD (equivalent) 20,000 – USD 50,000, retailers: USD 5,000 – USD 10,000. May provide MGs to input companies in some cases. **LGs:** AFAP guarantees 50% of initial consignment, client pays 25%, supplier assumes 25% risk.
RAMA BC (Land O'Lakes and CLUS; USAID funded) NGO/project	Innovation Grants (Matching Grants).	Agriculture (Focus on improving infrastructure, capital equipment, provide technical assistance or support input suppliers with supplies such as seeds or fertilizer; preference for women). MSMEs (including agro-dealers, producer associations, service providers etc). Must be legalized. Producers must have DUAT and license. Must support at least one Feed the Future VC: oilseeds (peanuts, sesame, soya), pulses (common beans, cowpeas and pigeon peas) and fruits (bananas). Other crops, incl. maize, may be considered. Beira Corridor.	30% recipient cost share. Can be in kind but preference for cash. Reduces to 10% for women-owned entities; 30% cost share (10% for women). Fixed Obligation Grant (FOG) (payments are released based on achievement of milestones).

Institution Name of Product	**Type of Product**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
TechnoServe (funded by the Dutch Embassy) Soya Farmer Support Project	Matching Grants/ Commercial Bank Loans for soya farmers.	Small commercial farmers and farmer groups producing soya. Gurué District Zambézia.	Project grants 50% of value requested; BCI lends 40% of value and the farmer pays 10% (same model as applied for previous Finagro project, managed by TechnoServe.
World Bank Growth Poles Project The Catalytic Fund for innovation and Demonstration (FCID) (end 2019) The last round of approvals took place in September 2018.	Matching Grants.	Agro-industry and mega projects. Medium to large agribusinesses. Zambezi Valley and the Nacala Corridor (Cabo Delgado, Niassa, Nampula, Zambézia, Tete, Manica, Sofala).	**Window 1:** Agribusinesses with strong economic links with smallholder farmers. Grants between USD equivalent of 0.5 – 1.5 million; own contribution from 10–90% of investment. **Window 2:** Agribusinesses with grants between USD 300,000–900,000. Requirements for both: investment projects must be financially viable and technically sound; high number of beneficiaries and strong quantitative and qualitative impact on smallholders and MSMEs; innovation and demonstration, such as use of new technologies and new approaches to link with smallholders; institutional, operational and environmental sustainability.
AECF (African Enterprise Challenge Fund) Africa-wide Fund	Matching Grants.	Renewable energy. Medium to large businesses. Can be start-ups. National.	USD 0.5–1.5 million contribution from AECF; cost share with beneficiary (so total project size up to USD 3 million). Technically, beneficiary must repay the loan part, but in practice some are defaulting without any apparent sanctions.
AECF Selected countries including Mozambique	Matching Grants.	Promoting improved seeds varieties with preference for those with high nutrition and tolerant to climate change. Medium to large businesses. Can be start ups. National.	Same as above except minimum is USD 250,000.

2.6 Loan Guarantee Funds

Loan guarantee funds (LGFs) are instruments used to incentivize banks to lend to selected beneficiary groups by reducing the exposed risk by guaranteeing an agreed percentage of any default that might occur. This is to help banks to become familiar with these groups and build confidence. LGFs are phased out after an agreed time period. There are several loan guarantee funds (LGFs) that have been operational for several years with new government ones recently initiated through the BNI (FDA and INCAJU). The global DCA/SIDA guarantee fund has been operational in Mozambique for about 10 years supporting agricultural finance through the microfinance commercial bank Opportunity Bank/MyBucks and the BTM. The LGF agreement with the BTM was renewed very recently (end of September 2018). There are also more recent LGF agreements with Socremo and Banco Unico but with no evidence of agricultural lending being supported.

The Thembani International Guarantee Fund (TIGF) has recently been involved with a large commercial bank agricultural loan which carried an interest rate of 6% and a further 3% p.a. for TIGF.

Table 6: Loan Guarantee Funds

Institution Name of Product	**Type of Product**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
DCA (USA), SIDA (Sweden) DCA/SIDA Loan Guarantee Fund	Loan Guarantee Fund with focus on agriculture.	MSMEs and smallholders. National.	50% risk coverage; agreements with Opportunity Bank/MyBucks, BTM, Banco Unico and Socremo.
GAPI (fund manager) Agri Garante	Guarantee Fund.	Agricultural production (crops); commodity trading; poultry breeding (split roughly into three equal parts). SMEs. All provinces. Signed up banks include: BCI, Standard Bank, FNB, Moza, Único, EcoBank, BIM, Banco Terra. Banks are not very engaged and take up has been low. To resolve this, in the future Gapi may change the way that the funds are managed.	Provides 20% to 65% of value of guarantee from value MZN 500,000–12 million (the higher the loan value the lower the guarantee). Needs business plan approved and usual requirements by participating commercial bank.

Institution Name of Product	**Type of Product**	**Target Sector** **Type of Enterprise** **Eligible Areas**	**Terms**
GAPI (fund manager) Partial Guarantee Scheme for Sustenta Credit (EGPC) (2018–2021)	Guarantee Fund.	Agriculture and forestry. Small emerging commercial farmers; SMEs. Zambézia (Mocuba, Íle, Gilé, Alto Molocué, Gurué) and Nampula (Ribaué, Rapale, Mecuburi, Malema, Laláua).	Covers 50% of bank loans obtained through the Sustenta Project.
Thembani International Guarantee Fund Thembani International Guarantee Fund	Guarantee Fund (South African based, American-sourced funding through Citibank since 2012).	All sectors with emphasis on agriculture. Mainly larger companies. National.	Banks prepare an indicative term sheet, listing available collateral and look at difference between this value and loan required; Indiqua Consulting (formerly Building Markets) brought in for an assessment; if given approval, process assessed by the Thembani Credit Committee (international members); if committee approves, the applicant undergoes full due diligence. The whole process should take about 2 months; in Mozambique there are about 10 companies with Thembani guarantee support; 3% of loan charged as annual fee.
BNI (manager) FDA (Fund for Agricultural Development)	Guarantee Fund for Agricultural MSMEs (MZN 190 million).	Agriculture. MSMEs. National.	The LGF will cover 80% of the risk; loans must be provided at subsidized rates.
BNI (manager) National Institute for Cashew (INCAJU)	Guarantee Fund (MZN 60 million).	Cashew value chain. MSMEs involved in production, domestic trading and processing cashew seeking finance. National.	The LGF will cover 80% of the risk; loans must be provided at subsidized rates.

2.7 Equity Funds

The equity investors Norfund and Agdevco have been operating in Mozambique for many years. AgDevCo originally targeted SME agri-businesses with a pilot in collaboration with the Beira Agricultural Growth Corridor with 14 investees in central Mozambique. Problems emerged with these loans following the 2016 financial crisis and AgDevCo has since moved away from SMEs and is now partnering with some of the larger companies. Norfund has always worked with larger investees. One advantage of having equity shareholders is that investees are able to secure relatively low-cost equity loans (loans made to the investee by the equity fund investor) which were provided to all AgDevCo investees.

Unfortunately, many of the SMEs received USD-indexed loans just before the financial crisis of 2016, which resulted in loans doubling in size in terms of meticais. Another disadvantage is that investees lose their independence in terms of investment decisions and business planning. On the other hand, for those with good farming knowledge but poor business acumen, equity partnerships provide important managerial benefits.

The PIGA initiative, funded by DFID and in collaboration with the International Trade Centre, helps Mozambican agri-processors and light industries find Chinese markets as well as potential equity investors by subsidizing participation in Chinese trade fairs, by arranging B2B encounters between potential investors and investees and by the exchange of business profiles. The organization AMSCO (see 2.8) also helps Mozambican companies find potential equity investors.

Table 7: Equity Funds

Institution	Type of Product	Target Sectors Type of Enterprise Eligible Areas	Terms
AgDevCo (DFID)	Equity (usually for investment) and shareholder (usually for working capital) loans.	Agriculture. Medium to large agribusinesses. National.	Normally equity loans are provided in USD with interest rates varying from 5–10% depending on terms and risk assessment.
Norfund (Norwegian Government)	Equity (usually investment) and shareholder (usually w/capital) loans. Preference for equity.	Mainly agricultural but also clean energy and food production. 70% of global portfolio is in Africa, nearly all of which is in agriculture. Medium to large agribusinesses; average investment is for 8 to 10 years; current Moz portfolio: Matanuska, Carthage Lda (Moamba, papaya). Increasing focus on processing and value addition. National.	Ideally maximum equity < 35%, max. loan < 49% of total balance sheet value (investments need to be valued at least USD 5 million. Though some investments are less than this if they offer good prospects for growth). Can mix equity and investment.

Institution	Type of Product	Target Sectors Type of Enterprise Eligible Areas	Terms
Partnership for Investment and Growth in Africa (PIGA) (DFID)	Intermediation through supporting trade fair participation in China and facilitating B2B interaction (2015–2021).	Objective: Introduce Mozambican companies to potential Chinese equity investors. SMEs involved in agri-processing and light industry. Mozambique, Ethiopia, Zambia, Kenya.	Expected to increase exports (mainly to China) and jobs.

2.8 Other

Of the four "other" products, one (the District Development Fund) has been around for many years and is funded by the government. The *Fundo Distrital de Desenvolvimento* provides "loans", but these are rarely paid back because beneficiaries know the government will not take sanctions against defaulters. These funds have often been given to farmer associations as well as individual farmers/entrepreneurs who are either politically connected or are regarded as leading farmers or entrepreneurs in the area.

The CTA's Active Capital Fund is essentially a USD foreign bank loan facilitated and brokered by the CTA. Interest rates are very attractive for agriculture but there are hidden costs to be paid if the request is to be endorsed by the CTA.

AMSCO provides a variety of services to Mozambican companies which can benefit from subsidized technical assistance or equity by identifying interested investment partners. AMSCO helps companies to find suitable senior managers who are not subject to Ministry of Labour employment quota restrictions. Recently AMSCO found equity investors for Dream Farms in Niassa (financing a bean processing plant).

Finally, Hollard Insurance is introducing multi-peril insurance for seeds (and possibly for other inputs) which allows mainly smallholder farmers to receive a replacement of their seeds in the event of a poor harvest due to a variety of causes that may have impacted on harvest, including weather.

Table 8: Other funds opportunities

Name	Type of Product	Target Sectors Type of Enterprise Eligible Areas	Terms
CTA (National Business Confederation) (acting as an intermediary for the Loan Fund)	Active Capital Fund (loans).	All. Medium and large companies. National.	Loan size: USD 1–20 million; interest rate 6 for agriculture and 10% for other sectors. A USD 25,000 fee must be paid to undertake a company due diligence. This is refundable if the candidate does not get the loan and is added to the loan amount if the loan is obtained. Loans are only for capital expenditures except agri-businesses, which can receive funding for current costs during the first harvest cycle (excluding tree crops). There are hidden "facilitation fees" that will have to be paid through the "gate-keeper".
Fundo Distrital de Desenvolvimento (FDD)	Low interest loan.	Agro-pecuario; commerce; fishing; aquaculture; light industry; processing; rural tourism. MSMEs. National.	MZN 100,000–500,000 for individuals, MZN 100,000–600,000 for associations. 12–60-month duration. Interest free. Repayments can be deferred for 3–24 months. Application through SDAE; excludes public servants.
African Management Services Company (AMSCO)	Mix of donor subsidized training provider and profit-making technical assistance provider and facilitator for equity investments from around USD 5 million.	Training for smaller companies (free); Technical Assistance Provision (charged through 20% management fees) and intermediation for Investor identification. MSMEs and large companies. All sectors with specialization for Insurance in relation to TA. National.	
Hollard Insurance Company	Multi-peril Agricultural Insurance (e.g. weather-indexed insurance for seeds).	Agriculture. All companies. National.	Hollard is pioneering with weather-indexed type of agricultural insurance starting off with seeds. It is currently negotiating with seed companies and input dealers to imbed the insurance premium in the price of the seeds. The insurance at this stage is very simple, replacing the cost of the seed in the event of crop failure due to several reasons (weather linked, pests, disease, non-germination, etc.).

3 GENERAL OBSERVATIONS AND RECOMMENDATIONS

Almost all surveys relating to Mozambique's business environment have placed access to finance at the top in terms of main constraints to doing business in Mozambique. "Access" is likely to have been muddled with cost as traditionally the cost of finance has been considerably higher than in most other SADC countries. Prior to the 2016 financial crisis, the Bank of Mozambique succeeded over several years to bring down its benchmark rate (FPC) to as low as 7.5% p.a. with prime rates around just over 14% (September 2015). Following the hidden debt crisis of 2016, the FPC almost trebled to around 28% but has since edged back to 17.25% with prime rates 2% higher. With more than 16 commercial banks now operating in the country, the issue is not so much access as cost.

For agricultural and rural finance, the issue has always been accessing as well as cost because of the risks (weather, disease, pests and unpredictable markets) associated with agriculture – compounded by the inexperience most banks have with assessing and managing agricultural loans. The arrival of BTM was a major game-changer for agri-business. But overall volumes of credit to agriculture remains low at 3.5% of the total (although it should be noted that lending to agricultural processing falls under the category of "industry"). Since BTM's interventions, other initiatives such as guarantee funds, catalytic funds and special lines of credits have targeted agriculture but, so far, with limited effect.

IFAD and the AfDB, through the Fund for Economic Rehabilitation (FARE) attempted to stimulate rural finance with the Rural Finance Support Programme (RFSP). Through subsidies and credit lines, the RFSP was instrumental in the creation of more than 50 rural finance institutions (MFIs) which, due to poor preparation, poor management and limited service provision (effectively excluding agriculture) struggled to survive with only a handful remaining with limited portfolios.

The Government's *bancarização* programme has resulted in a much broader national network of banking services with the objective of one bank per district by 2019 but this has only had a limited effect in promoting agriculture and processing activities. Rural banks have largely acted as suppliers of loan deposits for urban lending and rural salary-based (low risk) lending.

The lack of enthusiasm for commercial banks to provide agricultural credit has been clearly demonstrated by the very limited uptake of the *Agro-garante* Guarantee Fund of the DANIDA-supported *Agro-Investe* Project. More than 10 banks were enthusiastic signatories, but commitment to approving agricultural loans remains very low outside of what are considered fairly safe sectors: sugar, cotton, tobacco and larger well-capitalized agri-businesses. The DCA-SIDA guarantee fund has had some impact on agricultural portfolios of 2 banks influenced by the guarantee funds. However, one bank providing microfinance loans to out-growers and some solidarity groups has indicated that, without the guarantee fund, they will not continue with agriculture unless some of the risk is picked up with multi-peril insurance. The Thembani Guarantee Fund is the only fund that is applied to individual cases and normally to larger multi-million-dollar loans.

One very important breakthrough for contract farmer lending occurred in 2018. A lending contract negotiated between Illovo and Standard Bank was originally to be guaranteed by the Thembani Guarantee Fund but the arrangement became too complicated and too expensive, so Illovo decided to guarantee the loan to the association of smallholders which in turn would on-lend to its members. This will hopefully serve as a model for other aggregator companies such as Westfalia with its litchi out-growers, ECA (maize); Mozambique Leaf Tobacco, cotton ginneries, dairy producers and so on. So far, aggregator lending arrangements have been for seasonal input loans. However, the Illovo experience paves the way for large-scale capital loans.

This survey follows that of CLUSA's of February 2018, in addition to a broader coverage, it has occurred over the time that the government-owned National Investment Bank (BNI) has shifted its focus more on rural finance, originally starting off as an infrastructure investment bank. Under the encouragement of the current Minister of Finance and Economy and former chairman of BNI's Board, the BNI has now taken on the significant new role of manager of development (especially rural/ agricultural finance products provided by both donor agencies and government.

Another important development has been the emergence of special instruments that promote equity and lending, provide subsidized inputs such as technical assistance and help Mozambican companies access new markets. Notable newcomers in this area are AMSCO which helps companies to find experts in special fields at lower costs (exempt of labour foreign quota restrictions) while also finding potential equity investors. The DFID-funded PIGA initiative helps Mozambican companies find markets in China and introduces them to potential Chinese investors.

Matching grant/catalytic funds are becoming more popular among donors and have played a critical role in supporting some of the larger agri-businesses. These are essentially large subsidies but usually difficult to access because of the tedious and often unnecessary application procedures to obtain the grants. Because of the amount of information and level of sophistication required (e.g. detailed business plans with discounted cash flows), most smaller companies are unable to access this type of funding.

Bad news for smallholder producers and SME agri-businesses has been that there is a shifting away from smaller loan clients both by commercial banks and equity funds. BTM is focussing more on larger companies after having struggled with farmer associations while AgDevCo has moved away from investing in SMEs to larger companies. NorFund has always invested in large companies. The lending portfolio for smallholders has not progressed although there are some glimmers of hope such as from *Gestão de Cereais.,* This is a new initiative targeting contract farmers in Manica which, if commercially and professionally run, could influence others to explore the huge potential in this market.

In the longer run, it is likely that digital technology will make a huge step in the promotion of bottom-of-the-pyramid farmer loans. MBS (formerly Opportunity Bank) is currently engaged with the mobile money provider Bibi Money which would enable MBS to provide loans to contract farmers for their main agricultural input – labour. Up to now, aggregator arrangements have not been able to include labour as part of the loan. Through Bibi Money which operates through all three existing mobile operators, MBS can lend to farmers who pay their labourers in mobile money while MBS can recover the loan through the aggregator when farmers come to sell their products. At this stage, the main constraint is Bibi Money's inability to establish a network of agents. If this initiative works or not in the short run, it seems inevitable that eventually mobile money loans will be commonplace.

A very good example of how digital technology is being successfully developed to support smallholders has been the Lima-Links market information system (MIS) in Zambia. This system has linked 70,000 smallholders to both input suppliers and commodity traders. It has played a major role in stimulating input providers to supply smallholders (previously they focused almost exclusively on larger agri-businesses and SME farmers) while facilitating bulk purchases of smallholder produce for commodity traders. The system allows paying users to track the behaviour of farmers (who are identified via their cell phone numbers). This system is now being explored for its capacity to furnish financial institutions with useful background behavioural information about potential clients.

The companies supported by the GIZ's ProEcon project are very diverse with significantly different financing needs (ranging across the full spectrum), including microfinance for smallholders, infrastructure loans for contract fruit growers, medium-large capital loans, working capital loans and equity partnerships. This report has been produced for the whole range of private sector agricultural stakeholders and covers the full spectrum of financial products. In addition to the more conventional forms of finance, there are a variety of other instruments available, such as catalytic funds, which tend to target certain geographic areas and/or sub-sectors. The guide also presents a variety of lesser known products, such as multi-peril insurance, and warehouse receipts finance.

An important lesson learned in this exercise is how little knowledge exists of the financial products available and how little effort has been taken to divulge this information. It would make sense if this type of information was made available regularly to the many thousands of potential beneficiaries of agricultural finance and that the product/service providers were given the opportunity to update information on their offerings, and for which projects they are likely to pay, in order to reach their potential clients.

Ideally, this guide should be a perpetual work-in-progress under the management of an entity whose responsibility would be to undertake an annual update of all the products, providers and contacts. A big constraint for financial service providers is that awareness of their products and services are limited and channels for dissemination do not adequately reach their target audiences. An annual guide of this sort will quickly gain recognition and would soon be used as the essential reference guide for potential users and existing providers.

An annual publication of this nature could also have a more analytical section dedicated to reviewing innovative financing initiatives that have been launched over the past 12 months. Such a review within the overall publication would also be of great interest for donors, the government and researchers. At some stage in the future, agribusinesses could organize an interactive platform that could present a list of products as it was done here, but with comments and ratings of businesses that have used the products. This would not only help the potential users but could also be expected to improve the services offered by the service providers.

4 CONTACTS

The following contacts were made during the study. They can be contacted for further information.

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