European Union and Mozambique sign financing agreements: on trade, biodiversity, agribusiness and transport

The European Union (EU) and the Government of Mozambique signed four financing agreements in Maputo, Mozambique, today. Together worth €217 million, the agreements are part of the PROMOVE programme and cover four key areas: trade facilitation, sustainable natural resources management, sustainable agriculture and agribusiness, and road rehabilitation in rural areas.

The signing ceremony was a highlight of the visit to Mozambique of the European Commission’s Director-General for International Cooperation and Development, Stefano Manservisi, in the framework of cooperation between the EU and Mozambique.

At a press conference that followed the signing, Mr. Manservisi stated that "the European Union has always worked in close partnership with Mozambique and we reiterate our commitment to boosting this cooperation for more inclusive and sustainable growth in Mozambique and in line with the ambitious Africa-Europe Alliance that we are pursuing".

"The agreements we have just signed will be fundamental to ensure an inclusive and growth-oriented business environment, to protect biodiversity with inclusion and benefit for the local communities, and to improve conditions of roads in rural areas as a stimulus for local development", Director General Manservisi added.

In response, Mozambican Minister of Foreign Affairs and Cooperation, Dr José Pacheco, said that "the agreements signed today are a clear testimony of the excellent friendship and cooperation between the Republic of Mozambique and the European Union in several areas, with particular highlight to the rural development sector. The implementation of these four agreements will be in line with the agenda and priorities in the rural development sector and stimulate local development, which is a great contribution to wider growth in our country."
The financial support is provided under the 11th European Development Fund for more inclusive and sustainable growth in the country.

PROMOVE Comercio is a €12 million project to help implement trade facilitation measures and improve the business environment. To this end, it will boost the government’s capacity to implement reforms under the World Trade Organization and Economic Partnership Agreement between the EU and SADC – Southern Africa Development Community. In this context, issues such as technical barriers to trade will be addressed: quality infrastructure services for value chains will be expanded and the private sector will be better able to take up opportunities under the Economic Partnership Agreement.

PROMOVE Biodiversity, to which €13 million has been allocated, aims to protect biodiversity and improve the livelihoods of rural communities thanks to the sustainable management of natural resources. The programme will cover the area known as Ilhas Primeiras e Segundas and adjacent coastal zones, the Gilé National Reserve and the Mabu Inselberg in the provinces of Nampula and Zambézia. These areas have been selected for their importance in terms of biodiversity, but also because of their population density, as they are areas where resources are under pressure from local community activities.

The €68 million PROMOVE Agribiz programme will focus on supporting the development of small-scale sustainable commercial agriculture and improving the productivity and resilience of small producers through support services such as financial and rural extension. An important component of the program involves commercial partnerships with companies to increase the availability of services along the value chains.

The fourth programme, PROMOVE Transport, with overall funding of €124 million, is part of the European Union’s overall approach to rural development under the 11th European Development Fund. It will focus, in particular, on the rehabilitation of rural roads in Zambézia and Nampula provinces. This will open up regional links and the country’s international links with Malawi and Zambia. The overall objective is to move sustainable, broad and inclusive economic growth forward through job creation and poverty reduction. Moreover, challenges around food and nutrition security and climate change will receive special attention as a way of guaranteeing access to food and to public and social goods and services in rural areas.

All four components of the PROMOVE programme will focus on the of Zambézia and Nampula provinces. Over 60% of people in both provinces depend on subsistence farming, which offers only low productivity and low returns.

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Notes to Editors
- PROMOVE refers to a set of EU-funded programmes with an integrated and geographically focused approach to rural development in the Mozambican provinces of Nampula and Zambézia. The overall objective of the rural development focal sector is to foster sustainable, inclusive and broad-based economic growth and sustainably reduce poverty. It does this by a) improving food security and nutrition status and b) enhancing rural competitiveness. The programme has six components of action, namely: PROMOVE Agribiz; PROMOVE Energy; PROMOVE Biodiversity; PROMOVE Transport; PROMOVE Trade; and PROMOVE Nutrition.

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