



EUROPEAN UNION

AND ITS MEMBER STATES IN MOZAMBIQUE

**WORKING TOGETHER
IN DEVELOPMENT
COOPERATION**





Credit: Culture art education

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What Is The European Union

The European Union (EU) is a unique economic and political union of 27 European countries. Its 447 million citizens share a single market and a common history and culture. The well-known motto “United in Diversity” profoundly describes the basic idea of the EU.

The EU was created after the Second World War, when the leaders of six countries, namely Belgium, France, Germany, Italy, Luxembourg and the Netherlands, pledged to work together to build a common future, in a radically innovative way.

The first steps were to foster economic cooperation: countries that negotiate with each other become economically interdependent and, therefore, are less likely to enter into conflicts. This commitment has made it possible to maintain peace in Europe for more than 70 years, following the Schuman Declaration of 9 May 1950. The result was the European Economic Community, created in 1958 with the

initial objective of promoting trade and economic cooperation.

Since then, another 22 countries have joined (and the United Kingdom ceased to be part of the EU in January 2020). What started as a purely economic union has evolved into a political union that includes many policy areas, from trade, agriculture, the environment, and health to external relations and security, justice and migration. The Community changed its name from the European Economic Community to the European Union in 1993 reflecting this dynamic. Today, the EU has diplomatic representation in more than 140 countries.



The EU is based on the rule of law and justice, and human rights are guaranteed by an independent judiciary. The EU Member States have assigned final jurisdiction on EU legislation to the European Court of Justice, whose judgments have to be respected by all. The EU is governed by the principle of representative democracy, with citizens directly electing members to the European Parliament and with the Member States represented in the Council.

Do you know that...

The EU and the Member States, working as ‘Team Europe’, are the largest donor of development aid in the world. In 2020 alone, Team Europe provided EUR 66.8 billion to help partner countries overcome poverty and to promote global development.

The EU is the largest commercial bloc in the world, with 447 million inhabitants. The EU is one of the most open economies. Free trade between its Members was one of the basic principles of the EU, which is also committed to the liberalisation of world trade. The EU is the main trading partner for over 80 countries, including Mozambique.

The EU's headquarters are in Brussels, the capital of Belgium. Other important cities for the European Union are Strasbourg, in France, Frankfurt in Germany and Luxembourg, which respectively host the seats of the European Parliament, the European Central Bank and the European Court of Justice.

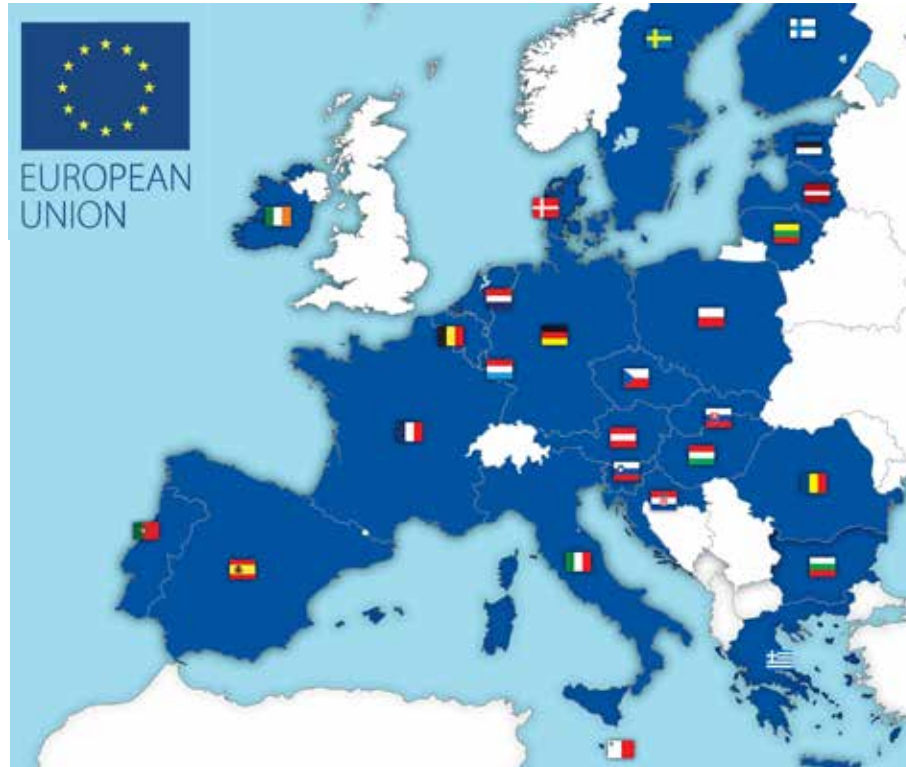
The EU also has its own European anthem - “Ode to joy” -, composed by Beethoven. The European flag has a circle of 12 golden stars on a blue background that symbolize unity, sol-

idarity and harmony among the EU Member States.

The largest EU country in territorial area is France and the largest in population is Germany. The smallest EU country in terms of area and population is Malta. The EU has 24 official languages, all considered equal. Everyone in the Union has the right to be informed in their own language.



Map Of EU



European Union

The European Union is a major global player. Relations with partner countries are guided by the objective of promoting peace and international security, development, human rights and the rule of law, as well as rapidly deploying humanitarian response when needed.

Team Europe In Mozambique

The EU promotes regional integration, notably through trade, and helps governments face crucial global challenges, such as climate change. In Mozambique, the EU Delegation, based in Maputo, represents the EU. The EU Delegation coordinates and works closely together with the 11 EU Member States present in the country, namely, Austria, Belgium, Finland, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, and Sweden.

Together, the 12 partners are committed to improving the effectiveness of development cooperation in Mozambique, aligning development

strategies and implementing programmes to support the Government of Mozambique's priorities towards the achievement of the Agenda 2030 Sustainable Development Goals (SDGs).

The EU and the Member States work in several development related areas, such as health, education, agriculture & rural development, water & sanitation, nutrition & food security, climate change and peace & security, resilience, energy, infrastructure & roads, governance and public financial management, private sector development, gender equality, human rights and social protection, among others.

European Union

Team Europe is also committed to helping victims of natural and man-made disasters throughout the world, providing support to more than 120 million people every year. In Mozambique, Team Europe is one of the largest donors of humanitarian aid, using modalities to support the Government and the affected population in post-disaster recovery and post-conflict assistance, when such dramatic events occur.

Mozambique also benefits access of trade facilities made possible under the Economic Partnership Agreement between SADC and the European Union. This agreement has consolidated the EU's position as the largest trade partner for Mozambique. The EU is the biggest destination export of Mozambican goods and the second largest partner in

terms of imports. In addition to being the largest trading partner, the EU market is wide open for exports of Mozambique under a free of quotas and tariffs regime.

From 2021, under the leadership of the EU, Team Europe started a new cycle of cooperation with Mozambique with a focus on youth, green policies and good governance, peace and security.

To find out more about the EU and its Member States in Mozambique check their respective websites (addresses in the last page).



Credit: Ellie Tomassi © EU Mozambique



Working For Peace And Stability

Mozambique is facing an evolving insurgency and a terrorist threat in the northern province of Cabo Delgado.

The armed violence in Cabo Delgado has to date claimed thousands of lives and resulted in hundreds of thousands internally displaced people and significant damages to private and public infrastructure. This insurgency appears to have grown out of a complex set of interlocking internal and external factors. The current conflict in Cabo Delgado is part of the latest cycle of violence in the country. Mozambique's civil war (1977-92) which ended with the signing of the 1992 General Peace Accords in Rome resulted in the death of nearly one million people. After the renewal of the conflict in 2013, the Maputo Peace and Reconciliation Agreement was signed in 2019.

As peace and stability, including the respect for human rights and international humanitarian law, are prerequisites for achieving sustainable development, the EU and the Member States are long-standing supporters of good governance and security-related initiatives in Mozambique. The EU and the Member States have an ongoing commitment to broader peacebuilding through supporting the Maputo Peace and Reconciliation Agreement of 2019. Regarding the armed violence in Cabo Delgado, the EU and the Member States are supporting social cohesion and conflict-sensitive interventions through an integrated approach, i.e. a humanitarian-development-peace

nexus, to reinforce peace and stability and to prevent further spread of violent extremism in the region.

In this regard, the EU and the Member States are one of the largest donors of humanitarian assistance to Cabo Delgado. The aim of EU's humanitarian interventions is to ensure that displaced persons have access to basic services and a safe environment. In terms of peace and security, the EU has established a non-executive EU Training Mission (EUTM Mozambique), which will train and equip the Mozambican armed forces so that they can address the security challenges in Cabo Delgado effectively and in full respect of human rights and the international humanitarian law.



Credit: Ellie Tomassi © EU Mozambique

Regarding development cooperation, The EU and the Member States support Cabo Delgado and other northern provinces address the underlying causes for instability, with conflict sensitive projects for economic development, social cohesion and, in particular, the youth. The EU and the Member States support technical and vocational training in Cabo Delgado and promote self-employment and public-private partnerships. Other priorities include reinforcing the capacities of the central and local governments to deliver basic services, such as education and health, to the communities. Another priority is working in close partnership with civil society organizations. Many Member States have a long-standing presence in Cabo Delgado, and their actions include projects in the justice sector with a focus on coun-

terterrorism and anti-corruption, nutrition and food security, water and sanitation services, renewable energy and biodiversity, as well as gender equality and women's empowerment.



Credit: Ellie Tomassi © EU Mozambique



Mozambique has achieved remarkable progress in terms of legislation favourable to human rights and gender equality, and on women's political participation and representation in decision-making. However, inequalities in access to public services, resources, economic opportunities and information, as well as violence against women and girls, still prevail.

Promoting Gender Equity And Advocating For Human Rights

The EU and the Member States have a strong engagement in the areas of human rights and gender equality. Through diplomacy and specific development programs, Team Europe supports the strengthening of civil and political rights such as freedom of expression, access to information and the rule of law. Democratization is promoted through civic education with the aim of reinforcing capacities of elected representatives and by supporting the decentralization process. Moreover, the EU has regularly deployed Election Observation Missions to Mozambique to monitor and advice on matters related to elections. Other work

streams relate to social accountability of public policies such as social protection and education.

Programs such the EU-PAANE (Supporting Program to Non State Actors) and AGIR (Program for Responsive and Inclusive Governance) reach more than 50 civil society organizations all over the country with the aim to advocate for citizens' rights and protect victims and activists.

Women's rights, including the right to education for girls and the implementation of the national strategy to end child

marriage deserve a special attention. Team Europe supports organizations working for women's rights and gender equality, women's economic empowerment and political participation. Moreover, there is a focus on sexual and reproductive health and rights, access to education and to fight gender-based violence. In this context, the Spotlight Initiative, among others, is making a significant contribution towards the eradication of gender-based violence and child marriage, and to improve access to sexual and reproductive health and rights services in Mozambique. This global partnership between the EU and the UN works with central and local governments and the civil society to the benefit of over 6 million people, particularly women and girls in the Gaza, Manica and Nampula provinces. In 2020, the Spotlight Initiative and the Rapariga Biz programme, supported by a strong

collaboration between community members and leaders, civil society organizations, activists and government institutions, managed to rescue 118 girls from forced unions. These programmes contribute to the promotion of children's rights, combating child abuse, child marriage and child trafficking as well discrimination of older people, women living with HIV/AIDS, persons with disabilities, and LGBT groups.

The EU and the Member States report annually on the Gender Action Plan, which monitors progress towards gender-related goals.

Many results have been achieved so far. Between 2015 and 2020, associations such as MULEIDE (gender based violence support) and AMMCJ (paralegal support) provided legal services to 9 445 women, 2 663 children

and 3 594 men. The association Gender Links organized a conference to reflect on the implementation of the Beijing+25 Declaration and Platform for Action in Mozambique. Schools in Nampula, Zambezia were trained on inclusive service provision and gender mainstreaming of annual work plans and budgets. This contributed to an increase in school retention of girls from 12% in 2019 to 33% in 2020 in Mocuba. In 2020, AMODEFA (a family development association) trained officials working in the municipalities of Maputo and Nampula to prepare their budgets and development plans, taking into account a gender perspective.

As a result, of these and other initiatives, the EU and the Member States remain champions of gender equality, women empowerment and human rights in Mozambique.



Credit: Ellie Tomassi © EU Mozambique



A Green Deal To Fight Climate Change

Combating climate change and conserving biodiversity is essential for a country where more than half of the population lives in rural areas and bases its subsistence on the cycles of nature.

As a large part of the population lives in rural and coastal areas, Mozambique is highly exposed to the impacts of climate change. In recent years, there have been an increasing number of climate-related events battering the country through disastrous droughts, floods and tropical cyclones.

In this context, the conservation of biodiversity and the preservation of the environment are fundamental allies to help contain the devastating effects of climate change, while at the same time offering significant opportunities to reduce poverty and sustain the country's economic development along a new and more sustainable path.

The EU is aware that no challenge at the global level is as urgent and essential as combating climate change with the aim of developing more sustainable social and economic standards. For this reason, the EU and the EU Member States are multiplying the efforts to reinforce global climate commitments through the Paris Agreement. The EU is taking a lead in the search for development patterns able to address economic and demographic challenges through the protection and valorisation of natural resources. The Government of Mozambique is a strong partner in this endeavour, having included comprehensive "green" objectives in national strategic plans in all sectors. The government has also

acknowledged the increasing importance of climate action in the country.

Reflecting its collective commitments, such as the European Green Deal adopted by the EU in 2019, Team Europe is supporting Mozambique in its own climate transition. Germany, for instance, invests in coastal protection infrastructures, in the protection of biodiversity in the Limpopo National Park and in the renewable energy sector, with the aim to install and connect 130 MW of additional green capacity. Belgium and Austria have focused on the water/energy/food relation, supporting the integration of renewable energy technologies in the water and sanitation sector and promoting of solar-powered irrigation. Italy is committed to the development of scientific research and training: it created - with Mozambican institutions - the



Credit: Ellie Tomassi © EU Mozambique

first national database on biodiversity, BONOMO, and is looking to establish the Biodiversity Conservation Center of Mozambique, to support decision-making and to disseminate environmental knowledge. Ireland, for its part, has supported climate resilience by developing information systems for climate change management and investing in support of families most vulnerable to shocks. The Netherlands is supporting the capacities of the Mozambican authorities, focused on energy legislation and the development of geological knowledge infrastructure. Sweden helps key institutions to develop their natural resource management capabilities and, together with the EU, Belgium, Denmark, Ireland, Italy and Portugal, finances the implementation of Local Adaptation Plans at district

level, thus supporting the implementation of priority projects against climate change identified by local communities.

These examples showcase the significant commitment of the EU and the Member States in supporting the resilience of vulnerable households and in the fight to protect Mozambique's environment and biodiversity.

The protection of ecosystems are among the priority sectors of France's cooperation action combining biodiversity protection with local development actions for the populations of the Limpopo, Niassa, Gilé, and Chimanimani protected areas. Thanks to its action, in the Niassa reserve no elephants were poached in 2019 and 2020.



Credit: PROMOVE Comércio © UNIDO Mozambique

Ensuring Nutrition And Food Security

Chronic malnutrition, also known as stunting, is one of Mozambique's most significant development challenges. This condition affects 43% of the children under the age of five. Malnutrition rates become progressively higher from south to north, with stunting rates over 50% in the Nampula and Cabo Delgado provinces.

Chronic malnutrition and food security are significant development challenges for Mozambique. It is expected that, by 2025, nearly 2 million children will be stunted; double the target set by the World Health Assembly and the principal indicator for Sustainable Development Goal 2 (zero hunger).

Although the majority of families in the country (93%) can afford to meet food energy needs, more than half (54%) are not able to afford a nutritious diet with locally available food items. In addition, and paradoxically, areas of high agricultural production which are con-

sidered "food secure" have the highest prevalence rates of stunting. The high dependence of most rural households in Mozambique on low productivity rain-fed agriculture makes them very vulnerable to seasonal fluctuations and climate shocks, regularly threatening food security, dietary diversity and nutrition. As a result, during lean seasons a quarter of rural households are recurrently in stress or in full crisis, needing food assistance, with women and children often being the most vulnerable.





Credit: Food Girl Power, Aider © EU Mozambique

In a country where geographical disparities and socio-economic inequalities are huge and increasing, fighting malnutrition - as both a driver and a result of poverty - can help to tackle extreme poverty and inequality, by investing into the “human capital” that is needed to foster inclusive economic growth. Evidence shows that a well-nourished child is much more likely to escape poverty, as he/she will perform better in school, be healthier and become a stronger adult.

Within this context, Team Europe supports investing in food and nutrition security as one of the most effective ways to foster human and inclusive economic development and to ensure the respect of the right of everyone to adequate food and to be free from hunger.

The EU and several Member States such as Austria, France, Germany, Ita-

ly, Portugal and Spain have multi-sectoral programmes addressing the key challenges hindering food and nutrition security in Mozambique. These factors include, among others, low levels of food production, low incomes, problems with diet diversification, limited access to health and nutritional practices, and insufficient access and availability of clean water and sanitation. Every year, the EU and many Member States actively participate in the “Women’s Month”, coordinated by France with the objective of advancing the knowledge and application of women’s rights.

Intervention modalities in this field are diverse but complementary to each other. Some Member States work directly through the public systems at national and provincial levels, while in other cases the implementation of programmes is delegated to UN agencies or national

and international NGOs, which are also very active in crucial advocacy work. Some partners also work directly with so-called lead farms, in order to integrate small-scale farmers into commercial value chains. Lastly, the EU and several Member States are supporting scientific research programmes with national and international researchers and universities.

All these approaches are accompanied and sustained by the work done on rural competitiveness, aimed at enabling higher quality, more efficient and more nutritious production, through innovative and more efficient farming.





Guaranteeing Quality Education For All

The education system in Mozambique has expanded significantly, from 3.8 million students in 2004 to more than 8.8 million in 2020. The general education school network has evolved from 12,870 schools in 2015 to 14,028 in 2019. Despite this expansion, not all children have the possibility to complete even primary education.

A high dropout rate for pupils, and in particular girls, is another challenge. To reverse this situation, the 2018 National Education System Law introduced significant reforms. It defined a mandatory and free basic schooling of nine classes. It also recognized for the first time pre-school education as a subsector of the education system. These changes are being implemented gradually. Mozambique has also made progress in developing strategies for gender and inclusive education, and has made steps to integrate these into the new national Education Strategic Plan (2020-2029).

EU Member States, and in particular Finland, France, Germany, Ireland and

Portugal, support the Government in implementing these reforms, being collectively the largest contributors to basic education in Mozambique. Support is mobilized mainly through a common fund, the Education Sector Support Fund (FASE), which channels some 90% of the sector external investment. The Global Partnership for Education (GPE), the main global fund supporting strong and resilient education systems, funded by the EU and some Member States, is also contributing to FASE. This is the most important instrument for supporting the national Education Strategic Plan (2020-2029) and the main forum for dialogue between the Ministry of



Credit: Ellie Tomassi © EU Mozambique



Education and Human Development, cooperation partners and civil society.

Other education programmes support complementary teacher training programs, pre-school education, education management, promotion of gender equity and health risk prevention. There has also been a growing focus on support to education in emergencies through EU humanitarian aid and Member States efforts, including through the Education Cannot Wait (ECW) fund, which aims at ensuring safe learning spaces and provision of adequate education for children in areas affected by violence and displacement.

The EU and the Member States also support Higher Education and Technical and Vocational Education and Training. In particular, Germany, Italy and Portugal provide infrastructure and

equipment and help establish new strategic partnerships to strengthen the links between professional education and the labour market. Italy, Portugal and Sweden provide support to key Mozambican universities to implement academic reforms that should lead to increased quality of scientific research and teaching in line with international standards.

Team Europe helps Mozambican students, teachers and researchers to access higher education institutions in Europe and Africa through the Erasmus+ and Horizon Europe programmes, among others. These initiatives enable Mozambican students and researchers to broaden their knowledge and progress in their careers. At the same time, they contribute to the development of an academic nucleus and to improving the capacities of the

educational institutions. Thousands of Mozambican students have completed graduate, master and doctoral levels at European universities through different partnerships and scholarships funded by the EU and the Member States.



Access to energy is vital for development. Healthcare, education and income-generating activities, which all are critical for meeting the population's needs, require modern energy services. Yet, in Mozambique, it is estimated that only 39% of the population has access to electricity. In rural areas, where 68% of Mozambicans live, only 6% have access to energy.

Investing In Sustainable and Renewable Energies

Due to several factors, including the lack of infrastructure, inadequate legal framework and fiscal incentives, including tariff-setting, rural electrification is a big challenge. As forecasts show that only 50% of the population will have access to the national electricity grid by 2030, decentralized energy solutions and integrated strategies to ensure access to energy are necessary.

The Government of Mozambique is committed to reaching the sustainable Energy for all (SE4 ALL) and Sustainable Development Goals (SDGs) 7 target of universal access to affordable, reliable and modern energy services by 2030.

Moreover, Mozambique aims at developing the renewable energy sector to mitigate the effects of climate change. The EU and the Member States are key partners supporting such efforts and providing advisory and technical support to improve the regulatory framework and legislation. In 2016, the Sustainable Energy Joint Declaration was signed with the Government of Mozambique, followed by the Energy Africa Mozambique Compact in 2017, the latter with a focus on the development of Solar Home Systems.

Both declarations have the objective to reinforce cooperation to increase the use of sustainable energy and to

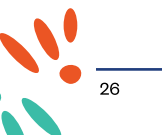
achieve reliable and cost-effective electricity generation, with the ultimate goal of providing affordable and modern energy services.

Team Europe is delivering tangible results in the energy sector. For example, support to capacity building has been provided to several institutions: The Ministry of Mineral Resources and Energy, the Power State Utility of Mozambique, the National Energy Fund for off-grid solutions and the National Energy Council. National institutions with support from the EU, Belgium, Germany, France and Sweden have constructed, upgraded and expanded energy infrastructure with a focus on renewable energy. Together the EU and the Member States have built and rehabilitated hydropower and solar plants, financed the rehabilita-

tion of sub stations and transmission lines and provided several on- and off-grid solutions in rural areas. The focus on rural areas had supported the electrification of hundreds of schools, health centers and public administration posts. The energy produced by the plants is also used for agro-processing, irrigation, industrial production and other economic activities. Specifically in the Zambezi Valley and in Cabo Delgado, the Netherlands has promoted Climate Smart Agriculture. Overall, the EU and the Member States are committed to support the Government of Mozambique in its goal – to support sustainable energy for all Mozambicans.



Credit: Ellie Tomassi © EU Mozambique





Accessing Basic Health Services

Providing an adequate level of health care is a challenge in all countries, but even more so in developing and post-conflict countries. Mozambique faced this situation in the post-civil war period of the early 1990s. Health infrastructure had been destroyed, greatly reducing the level of access to and the effectiveness of primary healthcare.

Following the civil conflict that ended in the 1990s, professional health training had almost stopped in Mozambique and indicators for maternal and child mortality rates were at alarming levels.

Despite important progress in health service expansion and access to essential health services, Mozambique still faces high levels of maternal, neonatal and child mortality, combined with chronic malnutrition and the devastating effects of malaria, tuberculosis and HIV/AIDS. Average life expectancy is at 55. More than 2.2 million people are living with HIV/AIDS, making Mozambique the third most affected country in this respect in the world.

The high rate of adolescent pregnancy leaves the country with the fifth highest prevalence of teenage mothers in the world, caused among others by early and childhood marriages. The sustained high fertility rate is also a cause for concern, with women bearing on average nearly six children. The pregnancy rate of 15 to 19-year-old girls is reaching 65 percent in some provinces, which is also a concern.

The Mozambican Ministry of Health is committed to improve the situation by focusing on scaling up interventions to improve reproductive, maternal, newborn child, and adolescent health as well as nutrition.

The EU and some Member States such as Belgium, Austria, France, Ireland, Italy, the Netherlands, Portugal and Spain support the health sector through different modalities. They work in close partnership with the government institutions, with non-governmental organisations and with the United Nations agencies.

The EU and the Member States inter al Overall, Member States provide financial and technical assistance to the health sector to support the implementation of the National Health Strategy and other national plans. Belgium (through Flanders' cooperation), Ireland, Italy and Spain are contributing to the Ministry of Health's budget through the PROSAUDE fund. The main focus of Team Europe in the health sector is on preventing HIV/AIDS, reproductive, maternal and

child health, adolescent health, family planning to address the needs for young women, prevention and treatment of malnutrition, control of communicable diseases and the strengthening of existing health systems.

Globally, the EU and the Member States support important initiatives that also contribute to support the health sector capacities in Mozambique. Contributions through the Global Fund, the GAVI Vaccine Alliance and the Global Financing Facility are important examples of this support, with EU and several Member States being significant funders and active members.



Credit: Mbuto Machili © UNFPA Mozambique



Supporting Private Sector Development and Improving the Investment Climate

In the coming decade, Mozambique, supported by significant projects in the LNG sector, will have a unique opportunity to lay the foundations to become a middle-income country. Moreover, the LNG industry and other private sector investments are a major potential driver for recovering market confidence given the large and ongoing investments.

If the right policies and safeguards are implemented, the development of projects in the LNG sector and subsequent gas revenues could become an important driver of Mozambique's economic transformation, development and inclusive growth.

Megaprojects make up almost half of all Foreign Direct Investment (FDI) in Mozambique and account for 60-70% of total exports. Gas megaprojects are expected to provide a significant boost to the economy, but other sectors, namely agriculture and manufacturing, also play a crucial role in the diversifica-

tion of the economy and in guaranteeing jobs and inclusive growth. The productivity of agriculture and manufacturing enterprises is still low.

ILO estimates that 86% of the labour force works in the informal economy, mostly in agriculture and informal self-employment. The informal sector accounts for an estimated 30% of the GDP. Very few workers are employed formally, thus social security only covers a mere 6% of the labour force. Lack of access to affordable capital and governance challenges are major constraints in the sector. In a study of

2019 supported by Sweden, it was estimated that almost 75% of the MSME owners were financially excluded. While the Government has reduced some of the barriers and processes to pay taxes, stakeholders still describe the government bureaucracy as overly complicated, costly and lengthy, which leads to difficulties in complying with regulations. These challenges are more serious for female entrepreneurs due to the lack of gender-based policies.

In 2020, UNDP estimated the unemployment rate to be around 20%, with one third being young people between 20-25 years of age. Given the high population growth rate of nearly 3% per year and the immediate consequences of the COVID-19 pandemic, it is estimated that Mozambique's unemployment rate could rise by as much as 7-10% in the short-term.

Against this background, the private sector has the potential to support economic recovery.

The EU and Mozambique are close economic partners. The EU is the first export destination for Mozambican goods and the EU is Mozambique's second import partner. Trade has been facilitated through the EU-SADC Economic Partnership Agreement (EPA), which entered into force in Mozambique in February 2018. The EU provides trade advantages under the EPA and grants tariff-free and quota-free access for all its goods, except arms and ammunition. The EU Member States also have a significant FDI stock in Mozambique, which is expected to increase with the ongoing investments into the gas sector.

Team Europe aims to support business environment reforms, trade facilitation,

and access to finance, skills development and technical education. Moreover, there is a focus on supporting business incubators and accelerators. The EU, Germany, the Netherlands, Portugal and Sweden are supporting these efforts. For example, the Dutch Orange Corners' program support young entrepreneurs in the country. The EU and Germany in particular provide technical assistance to the Ministry of Industry and Commerce and provide additional capacity building at the provincial and national level. In addition, the EU supports the Fund for Sustainable Access to Renewable Energies (FASER) and Germany provides assistance to the financial sector, SMEs and agribusinesses with credit lines and deposit insurance through the Mozambican Central Bank. Portugal supports the Mozambican



development and technical education. Moreover, there is a focus on supporting business incubators and accelerators. The EU, Germany, the Netherlands, Portugal and Sweden are supporting these efforts. For example, the Dutch Orange Corners' program support young entrepreneurs in the country. The EU and Germany in particular provide technical assistance to the Ministry of Industry and Commerce and provide additional capacity building at the provincial and national level. In addition, the EU supports the Fund for Sustainable Access to Renewable Energies (FASER) and Germany provides assistance to the financial sector, SMEs and agribusinesses with credit lines and deposit insurance through the Mozambican Central Bank.

Portugal supports the Mozambican Association of Banks and the Institute for the Promotion of SMEs.

In addition, the EU supports Mozambique through its flagship programme PROMOVE Comércio with the aim of reinforcing the capacity of the institutions to implement trade facilitation reforms related to the EPA and the WTO Trade Facilitation Agreement. Moreover, support is provided to increase sustainable market-driven quality infrastructure and to enhance capacities of SMEs to comply with export market requirements, in particular under the EPA.

In line with the European Economic Diplomacy action-plan for Mozambique, Team Europe is also cooperating closely with the European private sector, including with the European Entrepreneurs Association in Mozambique (EuroCam). France supports the development of the SME segment via the "Choose Africa" offer, which encompasses bank guarantees and equity investments.



Credit: PROMOVE Comércio © UNIDO Mozambique



The outbreak of the COVID-19 pandemic in early 2020 started when Mozambique was still recovering from the impact of the two cyclones in 2019 and the economic consequences of the 2016 hidden debt crisis. In addition, the escalation of the armed violence in Cabo Delgado and widespread inequalities have put a further strain on the society.

Overcoming the Covid-19 Crisis

Like in most other countries in the world, the COVID-19 pandemic has had a significant socio-economic impact in Mozambique. Economic growth and investment has been affected and the health sector has been under considerable strain due to the pandemic. These consequences will prevail for several years to come. As a result, the Government's priority sectors, and in particular those focusing on economic growth and job creation, will be impacted by the pandemic. As in many other African countries, the low availability of vaccines also risks prolonging the health crisis in Mozambique.

In line with its strong partnership with Mozambique, Team Europe prepared rapidly a comprehensive response package to support Mozambique with a view to strengthening health systems and overall national preparedness to deal with the pandemic and a focus on tackling the socio-economic consequences of the pandemic. Overall, Team Europe mobilized EUR 170 million (12,746 billion meticaïs) in 2020 to support Mozambique to deal with the COVID-19 pandemic. In 2021, Team Europe has committed an additional EUR 60 million. Overall, the EU and the Member States have contributed with 30% of all funding for the COVID-19 response in Mozambique.

EU's support included an emergency budget support of EUR 100 million to respond to the COVID-19 crisis, with a focus on education, health and social protection.

Through its financial support to the COVAX initiative, Team Europe contributed to the global efforts to boost the development, production and delivery of effective vaccines, which are benefiting the entire world community. In the spirit of solidarity and in light of the global commitment to "leave no one behind" in accessing these vaccines, millions of doses of vaccines have been purchased for Mozambique through the COVAX initiative.

This effort contributes to Mozambique's "National Vaccination Plan" that foresees the inoculation of 16.8 million citizens before mid-2022.

In the area of education, Team Europe has worked towards finding creative ways to make up for lost learning time due to school closure, conducting back-to-school campaigns and prioritizing the reopening of schools in a safe manner. This included the preparation of safe learning spaces for the reopening of schools, ensuring the availability of water, disseminating guidance on school health and hygiene, as well as the different types of communication (braille, sign language, etc.) for vulnerable and disadvantaged groups, in particular young people.

In addition, EU reallocated an amount of EUR 30 million in favour of Southern Africa and Indian Ocean, including to Mozambique, to provide humanitarian aid, food and emergency nutrition assistance to people affected by the severe food insecurity crisis.





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