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## **EU AMONG DONOR GROUPS SUSPENDING AID TO MOZAMBIQUE OVER HIDDEN DEBT**

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Donor nations and institutions including the EU that contribute to Mozambique's state budget have suspended their support over revelations of \$1.4 billion in hidden debt, officials said Wednesday (4 May).

Portuguese President Marcelo Rebelo de Sousa, representing the donors, announced the move at a press conference in Maputo alongside Mozambican President Filipe Nyusi.

De Sousa said it was a temporary suspension and not a final judgement on the direct contribution to the state budget, estimated at \$265 million this year.

The donor group has 14 members including France, Britain, Canada, the European Union and the African Development Bank.

### **CRACKS APPEAR IN EU-ACP UNITY AT COTONOU MEETING IN DAKAR**

Dissent was heard at the high-level meeting in Dakar last week of the EU and the 79-member states of the African, Caribbean and Pacific group.

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Mozambique has admitted hiding the debt, which was used to fund maritime security vessels and defence equipment.

The International Monetary Fund (IMF) said last month it had suspended aid pending a full disclosure and assessment of the facts.

The World Bank and Britain have already frozen funds to Mozambique, which relies heavily on foreign donor money.

The consequences are very serious for the state, which will have to make cuts in several sectors, Mozambican economist Joao Mosca told AFP.

**MIMICA: EMERGENCY TRUST FUND FOR AFRICA 'MIGHT NOT BE A GAME-CHANGER'**

In a wide-ranging interview, Commissioner Neven Mimica tells EurActiv.coms Matthew Tempest about the executives master plan for legal migration, as well as the limits of development aid to African states in the rough.

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One of the ten poorest countries in the world according to the IMF, Mozambique has been hit hard by falling commodity prices.

The government said tensions with the Renamo opposition group, which waged a 16-year civil war that ended in 1992, were behind its decision to hide the debt.

Clashes between government forces and Renamo have increased since February, with attacks reported almost daily and key roads often closed due to the unrest.

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