

Portucel: Investing in jobs during COVID-19 in Mozambique

The EU's private sector has been actively contributing to solutions to the COVID crisis in partner countries, alongside the Team EU public response. Beyond financial contributions to local pandemic funds or other types of financial donations, it has undertaken a **wide range of initiatives** for the supply of medical and protection equipment and other health solutions.

Portucel Mozambique is pursuing a forestry-based project integrated with a planned paper pulp mill, generating value, jobs and prosperity for Mozambique. The project is built on strong stakeholder relationships and shared values with communities. Portucel is owned by The Navigator Company (the majority shareholder) and the International Finance Corporation (IFC), a member of the World Bank group.

The project is based on long-term investment estimated at \$2.5 billion, to be implemented over two phases: when the success of phase one, woodchip production, is confirmed, phase two, consisting of paper pulp production, will follow. Operations are based in the provinces of Manica and Zambézia, and annual exports in phase one are estimated at \$100 million, rising to \$1 billion in phase two. **More than 2,000 jobs** are expected to be generated in the first phase, and more than eight thousand in the second phase.

By late 2019, Portucel had invested more than \$6 million in its Social Development Programme and had already planted around **20 million trees** in Mozambique, creating a carbon stock of more than 1.5 million tons of CO².



With the outbreak of the COVID-19 pandemic, the Company adopted a meticulous contingency plan, in line with that of its parent company, the Portuguese multinational The Navigator Company, and adapted to the guidelines issued by the Mozambican authorities and the specific needs of project, with clearly defined priorities:

- protecting employees and their families
- safeguarding operational continuity and jobs
- as well as continued support for communities through the Social Development Programme, which has become even more important in a context of worsening socioeconomic conditions caused by the epidemic.





Portucel's activities require a close relationship with communities of the two provinces where they are run, both in forestry operations, through the Social Development Programme, and through regular communication and interaction with communities. It has therefore been necessary to adapt the way things are done, in line with the priorities defined. In addition to the safety, protection and hygiene measures found in most plans, some specific measures have been designed essentially to protect communities, who are strategic partners in this project. Measures included:

- preferring door-to-door contacts with families, instead of the usual community meetings attended by several dozen people. When community meetings have to be held, the number of participants has been reduced, to ensure minimum physical distancing of 2 metres.
- continued implementation of all aspects of the Social Development Programme which is vital to mitigate the risks of food insecurity and income reduction.
- providing disinfectant sprays for the tools used by field workers.
- distributing disinfectant gel to all vehicles.
- providing material and equipment to the District Authorities in the project's area of influence, to help with awareness raising, prevention and action to address COVID-19.

As at 3 June 2020, there has been no positive or suspected case identified in the company, and no positive or suspected case is known in the teams of our service providers or the members of the communities where we operate.

Paulo Silva, Director of Portucel Moçambique, stressed the *“unforeseen difficulties”* of the situation, but he was confident that *“the team at Portucel Moçambique has risen swiftly and successfully to the challenges, in a planned, consistent and disciplined way.”*

Hundreds of European businesses are stepping up to fight the pandemic throughout the world. Find out more on [EU business response to COVID-19](#).