

**INVESTMENT AND EXPORT PROMOTION AGENCY (APIEX)
MINISTRY OF INDUSTRY AND COMMERCE
REPUBLIC OF MOZAMBIQUE**

**THE PROJECT
FOR
SUPPORTING THE PROMOTION
OF
NACALA CORRIDOR DEVELOPMENT

FINAL REPORT**

MARCH 2018

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

ORIENTAL CONSULTANTS GLOBAL CO., LTD.

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List of Abbreviation

Abbreviation	English	Portuguese
AfDB	African Development Bank	Banco Africano de Desenvolvimento (BAD)
ANE	National Road Administration	Administração Nacional de Estradas
APIEX	Investment and Export Promotion Agency	Agência para a Promoção de Investimento e Exportações
ARA	Regional Water Administration	Administração Regional de Águas
CFM	Mozambique Ports and Railways	Portos e Caminhos de Ferro de Moçambique
CPI	Investment Promotion Centre	Centro de Promoção de Investimentos
CTA	Confederation of Economic Association of Mozambique	Confederação das Associações Económicas de Moçambique
DG	Director-General	Director Geral
DNA	National Water Directorate	Direcção Nacional de Águas
DNTF	National Directorate of Land and Forestry	Direcção Nacional de Terras e Florestas
DUAT	Land Use Right	Direito de Uso e Aproveitamento da Terra
EIA	Environmental Impact Assessment	Avaliação de Impacto Ambiental
GAZEDA	Special Economic Zones Office	Gabinete das Zonas Económicas de Desenvolvimento Acelerado
IFZ	Industrial Free Zone	Zona Franca Industrial
INATTER	National Land Transport Institute	Instituto Nacional dos Transportes Terrestres
IPEME	Institute for Promotion of Small and Medium Enterprises	Instituto para a Promoção das Pequenas e Médias Empresas
IPEX	Export Promotion Institute	Instituto para a Promoção de Exportações
JICA	Japan International Cooperation Agency	Agência Japonesa de Cooperação Internacional
MASA	Ministry of Agriculture and Food Security	Ministério da Agricultura e Segurança Alimentar
MEF	Ministry of Economy and Finance	Ministério da Economia e Finanças
MIC	Ministry of Industry and Commerce	Ministério da Indústria e Comércio

List of Abbreviation

Abbreviation	English	Portuguese
MINAG	Ministry of Agriculture	Ministério da Agricultura
MITADER	Ministry of Land, Environmental and Rural Development	Ministério da Terra, Ambiente e Desenvolvimento Rural
MPD	Ministry of Planning and Development	Ministério da Planificação e Desenvolvimento
MTC	Ministry of Transport and Communication	Ministério dos Transportes e Comunicações
MTPA	Million Tons Per Annum	Milhões de Toneladas Anuais
MW	Megawatt	Megawatt
ODA	Official Development Assistance	Assistência Oficial para o Desenvolvimento
PEDEC-Nacala	The Project for Nacala Corridor Economic Development Strategies	Projecto das Estratégias de Desenvolvimento Económico do Corredor de Nacala
ProSAVANA	Triangular Cooperation Programme for Agricultural Development of the Tropical Savannah in Mozambique	Programa de Cooperação Triangular para o Desenvolvimento Agrícola das Savanas Tropicais em Moçambique
SEZ	Special Economic Zone	Zona Económica Especial
SPGC	Provincial Service of Geography and Cadastral	Serviço Provincial de Geografia e Cadastro
TICAD	Tokyo International Conference on African Development	Conferência Internacional de Tóquio para o Desenvolvimento de África
UNIDO	United Nations Industrial Development Organisation	Organização das Nações Unidas para o Desenvolvimento Industrial
USD	United States Dollar	Dólar dos Estados Unidos
UTI	Technical Implementation Unit	Unidade Técnica de Implementação
UTI-PEDEC	Technical Implementation Unit for PEDEC-Nacala	Unidade Técnica de Implementação para o PEDEC-Nacala
ZVDA	Zambezi Valley Development Agency	Agência de Desenvolvimento do Vale do Zambeze

Executive Summary

1. Background of the Project

The Nacala Corridor Region is located in the Northern Region of Mozambique, and it extends to Malawi and Zambia. The development has not reached to the Nacala Corridor Region much because of the long-standing civil war and its location far from the national economic centre in the Southern Region.

However, in recent years, it is strongly expected to promote the development and industry based on the development of natural resources such as the large-scale coal exploitation projects in Tete Province and natural gas exploitation in the offshore Rovuma Basin in Cabo Delgado Province, agricultural and forestry development in Nampula, Niassa and Zambezia Provinces and the potential of the Nacala Port known as a very good natural deep-sea harbour. It is expected also that the land-locked countries such as Zambia and Malawi would benefit from the strengthened transport capacity of Nacala Corridor.

There are growing concerns about unplanned and uncoordinated development. The concerns include how to enhance the effectiveness of ongoing and planned projects. Unless proper measures are taken by the government to guide and coordinate development activities, a variety of development opportunities and potential of the Nacala Corridor Region may be underutilised. Moreover, it is necessary to prepare measures to prevent or mitigate various environmental and social problems including urban environmental deterioration, industry-related pollution, land conflicts and depletion of environmental resources.

Under these circumstances, the Government of Mozambique recognised the importance and necessity of preparing a set of strategies for the entire Nacala Corridor Region. The Government of Mozambique requested the Government of Japan to provide technical assistance, and the Project for Nacala Corridor Economic Development Strategies in the Republic of Mozambique (PEDEC-Nacala) was implemented from March 2012. Through the Project, The integrated PEDEC-Nacala Development Strategies was formulated with a target year of 2035 and target areas covering five provinces in the Northern Region; those are Provinces of Nampula, Cabo Delgado, Niassa, and Tete and the seven northern districts of Zambezia Province. At the Steering Committee meeting held on the 9th December 2014, PEDEC-Nacala Development Strategies was approved. The Final Reports were printed and released in April 2015.

Along with the formulation of the PEDEC-Nacala Development Strategies, the Ministry of Planning and Development and its affiliated GAZEDA, the executing agencies of the PEDEC-Nacala, tried to develop and strengthen the institutional framework to supervise the implementation of priority projects of various sectors according to the PEDEC-Nacala Development Strategies, by establishing new Technical Implementation Unit for PEDEC-Nacala (UTI-PEDEC).

GAZEDA was responsible for the development of Special Economic Zones (SEZ), which were the key elements of the Nacala Corridor Development. Therefore the involvement of GAZEDA continued to be important in the Nacala Corridor Development.

In this circumstance, the Government of Mozambique required continued assistance from the Japanese Government in the establishment and strengthening of the new organization for the implementation of PEDEC-Nacala Development Strategies and the promotion of PEDEC-Nacala. As a first step for this assistance, the Government of Japan decided to dispatch an expert team and conduct the Project for Supporting the Promotion of Nacala Corridor Development (PEDEC-Nacala Promotion).

2. Change in organizations in charge of PEDEC-Nacala

GAZEDA executed the PEDEC-Nacala as a secretariat of the study to formulate Nacala Corridor Economic Development Strategies and a counterpart of the JICA Study Team. GAZEDA was affiliated to the former Ministry of Planning and Development (the former MPD) during the period of the study from December 2014 to March 2012, and it was transferred to the Ministry of Economy and Finance when the former MPD was integrated to the Ministry of Economy and Finance at the reshuffling of ministries in January 2015 by the inaugurated new president, Mr. Filipe Jacinto Nyusi.

The new government promoted mergers of government organizations and reduction of staff, and it created a new organization, APIEX, by merging CPI, IPEX and GAZEDA. GAZEDA was transferred again to Ministry of Industry and Commerce.

Thus a ministry responsible for the formulation and promotion of the implementation of the PEDEC Development Strategies changed from the Ministry of Planning and Development (from March 2012 to December 2014) to the Ministry of Economy and Finance (from January 2015 to December 2017), and to the Ministry of Industry and Commerce (after January 2017).

The position of GAZEDA, which played key roles in the formation of PEDEC-Nacala Development Strategies, also changed. The supervisory ministry of GAZEDA changed two times and it was merged into APIEX. Officials directly involved in PEDEC-Nacala have dramatically changed.

In consequence, the sense of ownership of government organizations and officials was weakened and it hindered the progress on the works for getting cabinet approval on PEDEC-Nacala Development Strategies and establishing new organization to promote the implementation of PEDEC-Nacala Development Strategies.

The JICA Project Team worked collaboratively with the Directors-General and staff of GAZEDA and APIEX for taking necessary steps for the promotion and coordination for the implementation of PEDEC-Nacala Development Strategies, by encouraging ownership of the officials on the PEDEC-Nacala Development Strategies.

3. Process taken until the cabinet approval on PEDEC-Nacala Development Strategies

The Ministry of Planning and Development and GAZEDA started and continued explanations and discussions with the Investment Council and Economic Council from the beginning stage of the PEDEC-Nacala (2013), aiming to get recognition on the PEDEC-Nacala Development Strategies as the official development strategies of the Government of Mozambique.

In 2014, the steps to get Cabinet approval on the PEDEC-Nacala Development Strategies was almost done, however it was decided to leave the decision to the next new government to be inaugurated in the beginning of 2015, since it was in the end of the former government (President Guebuza)

The new government was inaugurated and GAZEDA was transferred from the Ministry of Planning and Development to Ministry of Economy and Finance in January 2015. At the time of the commencement of the

Project for Supporting the Promotion of Nacala Corridor Development started in April 2015, GAZEDA had lost its intention and momentum to proceed for getting cabinet approval on the PEDEC- Nacala Development Strategies that GAZEDA maintained in the previous year.

After the project started, experts of the JICA Project Team started visiting Maputo and encouraging the key stakeholders to move on from the formulation stage toward the implementation stage of the PEDEC-Nacala Development Strategies.

In February 2016, the PEDEC-Nacala Development Strategies was finalized and the Final Seminar was held, entitled "Final Seminar in the Planning Phase and First Seminar in the Implementation Phase" with a message saying "let's begin the implementation stage of the PEDEC-Nacala Development Strategies". Representatives from central and provincial governments as well as development partners who were involved in the process of formulation of the Development Strategies participated in the seminar.

Before and after the seminar, the coordination work to proceed for the cabinet approval was conducted. Under the leaderships of the Director-General, the Deputy Director-General and staff of GAZEDA organized consultation meetings with each related ministry and provincial government in order to harmonize PEDEC-Nacala Development Strategies with current government policies.

In order to submit the PEDEC-Nacala Development Strategies to the Cabinet for discussion, staff of GAZEDA revised the JICA Project's Final Report to the form of official document of development strategies of the Government of Mozambique.

As a result of long years' steady efforts, PEDEC-Nacala Development Strategies was finally approved by the Cabinet on the 19th November 2016 (Resolution No. 44/2016) and the Resolution was posted in the Official Gazette and released on the 30th December 2016. The Resolution mentioned the following two important articles.

- The Economic Development Strategy of the Nacala Corridor, also known as PEDEC-Nacala, which is an integral part of this Resolution, is hereby approved.
- It is incumbent upon the Minister who supervises the area of Industry and Commerce to coordinate the necessary actions on the occasion of the effective implementation of this Strategy.

The whole of the final report of the JICA Project, excluding the summary report and the supporting document, was revised in the form of official development strategies of Mozambique Government, included as part of the Resolution in the Official Gazette and printed.

4. Establishment of organization for promotion of implementation of PEDEC-Nacala Development Strategies

From the beginning of the study to formulate PEDEC-Nacala Development Strategies, GAZEDA recognized the necessity of an organization responsible for coordination and promotion of the implementation of the development strategies. GAZEDA examined the establishment of a new agency and prepared a draft ministerial decree for its establishment. However, after establishment of a new government, the original idea was modified and it was considered that a technical unit would be established within GAZEDA, in order to avoid the additional financial and human resources necessary for the new agency.

After GAZEDA was merged into APIEX, APIEX continued the consideration on the establishment of such technical unit within APIEX.

The Director-General of newly established APIEX was appointed in the beginning of July 2017. For around six months from the Cabinet approval on the establishment of APIEX in December 2016 until the appointment of the Director-General of APIEX, the responsible officials were absent and it was not possible to proceed with the discussion on the implementation of PEDEC-Nacala Development Strategies.

It was clear that APIEX, which GAZEDA was merged into, would be in charge of promotion and coordination for the implementation of PEDEC-Nacala Development Strategies, since it was mentioned in the Resolution that the Minister of Industry and Commerce was responsible for the coordination for the PEDEC-Nacala Development Strategies.

The JICA Project Team worked for the preparation for the establishment of the technical unit in collaboration with APIEX and the Ministry of Industry and Commerce by encouraging their ownership on the PEDEC-Nacala Development Strategies for eight month after appointment of the Director-General of APIEX in July 2017 until February 2018.

Each ministry and agency executes the priority projects, therefore the direct executing organizations of the PEDEC-Nacala Development Strategies are them. For example, ANE prepares for projects on road development, secures budget and implements the projects. On the other hand, APIEX plays a role in promoting and coordinating the implementation of integrated PEDEC-Nacala Development Strategies involving various sectors. Stakeholders in the Mozambican side understand such division of roles easily. They also understand the necessity of a technical unit and full-time staff, which can specially play roles in coordination and promotion of the implementation of PEDEC-Nacala Development Strategies.

The JICA Project Team tried to guide them to link their understanding of the necessity of the unit with the official establishment of the unit. Since the draft ministerial decree on the establishment of a Technical Implementation Unit for PEDEC-Nacala (UTI-PEDEC) had already been prepared by the former GAZEDA, it was not difficult to prepare the ministerial decree after the establishment of APIEX. However, it was necessary to explain to and persuade the new Director-General of APIEX and high officials and the minister of Ministry of Industry and Commerce on the necessity of establishment of the unit. The JICA Project Team explained to the Director-General of APIEX and relied on the Director-General for the explanation within the Ministry of Industry and Commerce.

The Technical Council of Ministry of Industry and Commerce discussed about the establishment of UTI-PEDEC based on the explanation made in the meeting. Receiving the feedback from the Technical Council, it was expected that the explanation and discussion would be made in the Consultative Council with the participation of the Minister of Industry and Commerce. Although the meeting of the Consultative Council was held every week, there were many agenda items to be discussed in the meetings, and a chance of explanation of UTI-PEDEC did not come soon. Before the explanation happened, the Minister of Industry and Commerce became the Minister of Mineral Resources and Energy. Since the Deputy Minister was promoted to the Minister, the discussion on UTI-PEDEC continued in the Ministry and finally the Ministerial Decree on the establishment of UTI-PEDEC was signed by the Minister on the 10th January 2018.

5. Establishment of Inter-Sectoral Committee to promote and coordinate the implementation of PEDEC-Nacala Development Strategies.

According to the Ministerial Decree on the establishment of UTI-PEDEC, UTI-PEDEC consists of the Coordinator and the Inter-Sectoral Committee. It also mentions that the Inter-Sectoral Committee plays roles as a steering committee in guiding and supervising the activities of UTI-PEDEC members. However, the Inter-Sectoral Committee members consist of representatives of related ministries and local governments, and it is expected that the Committee members work together with the UTI-PEDEC members, staff of APIEX, as a team for promotion and coordination of the implementation of PEDEC-Nacala Development Strategies.

The first Inter-Sectoral Committee meeting was held on the 21st February 2018 and the members of the Inter-Sectoral Committee appointed by the ministries participated in the meeting. In the meeting, questions about the concrete roles of the Inter-Sectoral Committee were raised. The participants discussed and confirmed the importance of working together as a team within UTI-PEDEC for selection of Essential Projects to implement PEDEC-Nacala Development Strategies from the view point of integrated development and for the mobilization of necessary funds for the implementation of the Essential Projects.

The meeting was chaired by the National Director for Private Sector Support, Ministry of Industry and Commerce. He was appointed by the Minister of Industry and Commerce. It was realized at the meeting that the Ministry of Industry and Commerce understood clearly its roles in promotion and coordination for the implementation of the development strategies.

6. Tasks of UTI-PEDEC

The JICA Project Team proposes the tasks and activities to be carried out by UTI-PEDEC as follows:

- Update of PEDEC-Nacala Development Strategies
- Preparation of annual activity plans and budgets for UTI-PEDEC and reporting of conducted activities
- Monitoring of the progress of development of the Nacala Corridor Region by analysing the socio-economic data and information
- Organization of Inter-Sectoral Committee meetings four times in a year
- Monitoring of the implementation of PEDEC-Nacala Development Strategies by collecting and updating the information from related government organizations
- Monitoring of projects of private sector in the Nacala Corridor Region
- Technical assistance to local governments
- Promotion of implementation of priority projects
- Promotion of private sector investment in collaboration with departments of APIEX and related ministries in charge of the promotion of private sector investment
- Establishment and financial mechanism for promotion and coordination for implementation of PEDEC-Nacala
- Site visits to observe the progress of development of Nacala Corridor Region
- Communication activities

7. Road Map for Implementation of PEDEC-Nacala Development Strategies

The JICA Project Team proposes the following steps for UTI-PEDEC to carry out activities to promote and coordinate the implementation of PEDEC-Nacala Development Strategies.

Step 1: From now until the commencement of JICA's capacity development project

- Holding of an Inter-Sectoral Committee Meeting for kick-off of implementation stage of PEDEC-Nacala Development Strategies
- Holding of a Coordination Meeting with development partners for promoting the implementation of PEDEC-Nacala Development Strategies
- Reviewing of 48 very high priority projects of PEDEC-Nacala Development Strategies and selecting Essential Projects out of the very high priority projects

Step 2: After the commencement of the JICA's capacity development project until TICAD 7 (mid 2019).

- Identifying the First Group of Essential Projects for implementation and approaching to development partners for implementation
- Getting commitments of development partners to implementation of at least three essential projects

Step 3: During and after TICAD 7

- Re-establishing a secretariat for the coordination and collaboration among three countries (Zambia, Malawi and Mozambique) for Nacala Corridor development
- Holding the first coordinating meeting among three countries for promoting Nacala Corridor Development.

1.1 Project Scope

(1) Background

Historically, the Nacala Corridor has been an international transport corridor consisting of Nacala Port, the Northern Railway and the Malawian Railway system. The Nacala Corridor used to be the most important export route for Malawi. However, the rail transport was disrupted by Mozambique's prolonged civil war (1977-1992).

In the 1990s, the deteriorated rail facilities and rolling stock of the Northern Railway were rehabilitated with international assistance. However, the railway rehabilitation could not strongly drive economic development in the areas along the Nacala Corridor. Moreover, the road connection was poor between the inland areas and Nampula/Nacala. Although there are a variety of resources and potentials for development in the Northern Region, considering the malfunctioning rail and road transportation, it had been difficult to envision future development in the areas along the Nacala Corridor and its surrounding areas during recent years.

In the late 1990s and 2000s, for international corridor development in southern Africa, private sector initiatives got considerable attention for their ability to promote development including infrastructure. In fact, the operation of the Northern Railway and that of Nacala Port have been privatised since 2005. However, the private operator had not been able to secure sufficient funds to rehabilitate the rail facilities and rolling stock due to low demand for cargo transport in the Northern Region. This is because railways and roads were still in poor condition and private investments did not come into the region in those years, including for infrastructure development. As a result, private sector development did not get enough momentum built up to be able to lead regional development in the Northern Region.

This situation has changed since the late 2000s, when the Nacala Corridor began to attract attention from people and businesses. In fact, oceangoing liners to Asia started to visit Nacala Port. The hinterlands of Nacala Port have also begun to attract private investments partly due to the establishment of Nacala Special Economic Zone (SEZ) in 2009. On the infrastructure side, road upgrading projects, including the road sections between Nampula–Cuamba and Lichinga–Montepuez, have been going on with co-financing and support from Japan International Cooperation Agency (JICA), the African Development Bank (AfDB) and other organizations. The upgrading projects for the road sections of Cuamba-Mandimba-Lichinga were also underway. In addition to these road upgrading projects connecting inland towns with seaports, projects for Nacala Port were started. As a result, private investments have increased in the provinces of Nampula, Niassa and Zambezia.

Furthermore, another factor has arisen to bring development in the Nacala Corridor and its surrounding areas. The factor is the large-scale coal exploitation projects in Tete Province. The coal reserve found in Tete Province is huge and of high quality. The coal production in Tete Province is expected to amount to over 50 million tonnes/year by 2016 and 75 million tonnes/year by 2020. At present, several coal mines are operating and several others will start their operation within five years.

This massive coal production requires at least three export routes consisting of railways and seaports. The export of coal from Tete via Sena Railway and Beira Port was started in 2012. The capacity of the Sena Line and Beira Port, however, is limited and will not be able to accommodate the increasing coal production in Tete. In addition to the Sena Line and Beira Port, there are currently three more alternative export routes. One of the most promising routes is the route using the Nacala Corridor, which runs from Moatize of Tete Province through Malawi and the Nacala Corridor up to Nacala Port.

The coal transport through the Nacala Corridor requires upgrading of the railway of the Nacala Corridor, as well as the construction of new railway sections. Although Tete and Malawi are not part of the conventional route of the Nacala Corridor, Tete's coal mining and export is expected to revitalise the Northern Railway (Lichinga-Cuamba-Nampula-Nacala Port) so as to transport not only coal but also general cargo and containers. This is considered a very important factor to create development opportunities and potentials to initiate and promote regional development along the Nacala Corridor and in its surrounding areas.

In this context, it is very critical to take proper actions to take advantage of these emerging development opportunities and potential for effectively promoting the development of the Nacala Corridor Region. While such an increase in private and public investments is considered good for development of the Nacala Corridor Region, there are growing concerns about unplanned and uncoordinated development. Unless proper measures are taken by the government to guide and coordinate development activities, a variety of development opportunities and the potential of the Nacala Corridor Region may be underutilised. Moreover, it is necessary to prepare measures to prevent or mitigate various environmental and social problems including urban environmental deterioration, industry-related pollution, land conflicts and depletion of environmental resources. Furthermore, it would become inevitable to cope with vulnerable groups of people and those in less accessible areas, who might not be able to participate in the emerging development opportunities.

Under these circumstances, the Government of Mozambique recognised the importance and necessity of preparing a set of strategies for the entire Nacala Corridor Region. The Government of Mozambique requested that the Government of Japan provide technical assistance to the Project for Nacala Corridor Economic Development Strategies in the Republic of Mozambique (hereinafter referred to as "PEDEC-Nacala"). In response to this request, the Government of Japan provided technical assistance to the Government of Mozambique for PEDEC-Nacala since March 2012. The PEDEC-Nacala Development Strategies formulated in the project was approved by the Cabinet in November 2016.

In this circumstance, it is considered that the Government of Mozambique requires continued assistance from the Japanese Government in the establishment and strengthening of the implementation organization for PEDEC-Nacala Development Strategies. As a first step for this assistance, the Government of Japan decided to dispatch an expert team for supporting the promotion and coordination of PEDEC-Nacala. This decision led to the formulation of the Project for Supporting the Promotion of Nacala Corridor Development (PEDEC-Nacala Promotion).

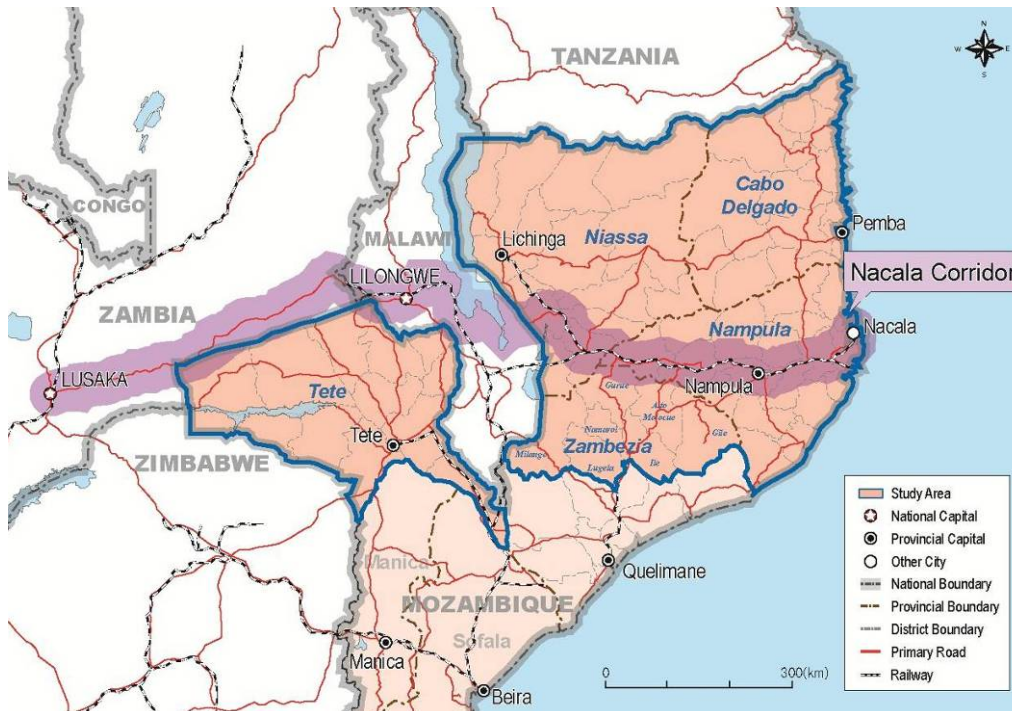
(2) Objectives of the Project

The objectives of the Project are as follows:

- To clarify organizations for promoting and coordinating the implementation of development strategies for the Nacala Corridor Region in accordance with PEDEC-Nacala
- To prepare for the implementation of high priority projects in accordance with PEDEC-Nacala

(3) Target Area

The target area for the Project is Nacala Corridor Region in northern Mozambique. The Nacala Corridor Region comprises four provinces, Nampula, Cabo Delgado, Niassa, and Tete and the seven northern districts of Zambezia Province, which are the districts of Alto Molocue, Gile, Gurue, Ile, Lugela, Milange and Namarroi. See Figure 1.1.



Source: PEDEC-Nacala Draft Final Report Summary (November 2014)

Figure 1.1 Nacala Corridor Region

(4) Executive Agency

The former Ministry of Planning and Development (the former MPD) was the executing agency for formulating integrated development strategies under the PEDEC-Nacala. The former Special Economic Zones Office (the former GAZEDA) under the former MPD was functioning as the secretariat for the PEDEC-Nacala.

When the reshuffling of ministries and authorities was done in January 2015, the former MPD and the former Ministry of Finance were integrated into the current Ministry of Economy and Finance (MEF). Therefore, the Executive Agency for the Project at the start of the Project was the MEF, and the former GAZEDA under the MEF was a secretariat for the Project for promoting the PEDEC-Nacala.

After that, the Cabinet approved the integration of the former GAZEDA, the former Investment Promotion Centre (the former CPI) and the former Export Promotion Institute (the former IPEX) in December 2016, and the Investment and Export Promotion Agency (APIEX) was established under the Ministry of Commerce and Industry (MIC). Since that time, the Executive Agencies for the Project are three organizations, namely, the MEF, MIC and APIEX.

1.2 Implemented Project Activities

The JICA Project Team conducted project activities including a series of meetings as shown in Table 1.1.

Table 1.1 Project Activities

Date	Attending Organizations	Main Topics
Preliminary Phase		
11 th August, 2015	GAZEDA JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Project explanation • Cabinet approval status of PEDEC-Nacala
14 th August, 2015	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Project explanation
17 th August, 2015	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Project explanation • Hearing about new organizational framework (implementation unit)
First-Phase (1)		
2 nd November, 2015	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Inception Report • First-phase tasks in Mozambique • New organization, assistance programmes and communication policy
2 nd November, 2015	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Inception Report • First-phase tasks in Mozambique
4 th November, 2015	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Cabinet approval status of PEDEC-Nacala • Implementation unit and working group • Assistance programmes and other donors' situation
4 th November, 2015	MASA JICA Project Team	<ul style="list-style-type: none"> • Communication Policy for ProSAVANA • Lessons to the Project
5 th November, 2015	DNA JICA Project Team	<ul style="list-style-type: none"> • Project explanation • Organization structure and government budget for DNA • Dam construction projects
6 th November, 2015	Ministry of Economy and Finance GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Courtesy call to the Ministry of Economy and Finance • Implementation of PEDEC-Nacala • Promoting the framework of the Ministry of Economy and Finance for the Project • Activities of the Project
9 th November, 2015	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Analysis Reports for the Strategic Master Plan • PEDEC-Nacala final seminar • Implementation unit, working group and communication policy • Support programmes and capacity development projects
11 th November, 2015	ZVDA JICA Project Team	<ul style="list-style-type: none"> • Organization structure, functions, staff, authority, decision making flow and government budget for ZVDA • Ongoing projects/programmes and loan projects • Communication policy of ZVDA
11 th November, 2015	MTC/SDP JICA Project Team	<ul style="list-style-type: none"> • Situation of the projects/programmes by SDP office • Multi-modal terminals for Nacala bay area, Greater Nampula and Cuamba • Strengthening of the regulatory body "INATTER" for railway operator of Nacala corridor

Date	Attending Organizations	Main Topics
First-Phase (2)		
13 th November, 2015	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Implementation Framework for PEDEC-Nacala • Assistance programmes • Communication policy • Joint meeting with development partners • PEDEC-Nacala final seminar
9 th December, 2015	INATTER JICA Project Team	<ul style="list-style-type: none"> • Project explanation • Organization structure, functions, staff and government budget of INATTER • INATTER's projects
10 th December, 2015	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Contents of PEDEC-Nacala final seminar • Preparation status for the technical implementation unit (UTI) • Communication policy
16 th , 17 th December, 2015		<ul style="list-style-type: none"> • Nacala Development Corridor Investors Conference • Visit to Multi-Utilities terminal in Nacala-a-Velha (CLN) and Nacala's Harbour (CDN)
18 th December, 2015	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Concept note for PEDEC-Nacala final seminar • Report of Nacala Development Corridor Investors Conference
Second-Phase (1)		
15 th February, 2016	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Preparation for the final seminar
15 th February, 2016	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Preparation for PEDEC-Nacala final seminar
18 th February, 2016		Final seminar for formulation of PEDEC-Nacala and commencement seminar for promotion for implementation of PEDEC-Nacala
19 th February, 2016	Ministry of Economy and Finance JICA Project Team	<ul style="list-style-type: none"> • Implementation of the essential projects for PEDEC-Nacala (promoting sales with donors)
25 th February, 2016	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Activities report in Mozambique for the second-phase (1)
Second-Phase (2)		
11 th July, 2016	GAZEDA JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Harmonization process for cabinet approval of PEDEC-Nacala • Capacity development project for UTI for PEDEC-Nacala • Communication policy
12 th July, 2016	GAZEDA JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Integration of several government agencies including GAZEDA • Capacity development project for UTI for PEDEC-Nacala • Communication policy
13 th July, 2016	GAZEDA JICA Project Team	<ul style="list-style-type: none"> • Essential projects/programmes • Integrated development
13 th July, 2016	JICA Mozambique Office JICA Project Team	Activities report in Mozambique for the second-phase (2)
Third-Phase (1)		
29 th November, 2016		Cabinet approval for PEDEC-Nacala development strategies
12 th December, 2016		Cabinet approval for creation of APIEX
19 th January, 2017	GAZEDA JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Functional organization chart and next step of APIEX • Official gazette of PEDEC-Nacala development strategies
20 th April, 2017	GAZEDA JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Official gazette of PEDEC-Nacala development strategies • UTI for PEDEC-Nacala and working group • Communication policy

Date	Attending Organizations	Main Topics
25 th July, 2017	APIEX JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Project explanation to Director General of APIEX • Discussion on implementation of PEDEC-Nacala development strategies
27 th July, 2017	APIEX JICA Project Team	<ul style="list-style-type: none"> • UTI for PEDEC-Nacala and working group • Capacity development project for UTI for PEDEC-Nacala • Communication policy
28 th July, 2017	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Activities report in Mozambique for the third-phase (1)
Third-Phase (2)		
2 nd November, 2017	APIEX JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • UTI for PEDEC-Nacala and working group • Task force for PEDEC-Nacala • Capacity development project for UTI for PEDEC-Nacala • Road map for implementation of PEDEC-Nacala development strategies
6 th November, 2017	APIEX JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Establishment of task force for PEDEC-Nacala • Establishment of UTI for PEDEC-Nacala • Capacity development project for UTI for PEDEC-Nacala • Road map for implementation of PEDEC-Nacala development strategies • Communication policy
7 th November, 2017	JICA Mozambique Office JICA Project Team	<ul style="list-style-type: none"> • Activities report in Mozambique for the third-phase (2)
8 th November, 2017	APIEX JICA Project Team	<ul style="list-style-type: none"> • Communication policy • PEDEC-Nacala logo • Priority tools
11 th December, 2017	APIEX JICA Project Team	<ul style="list-style-type: none"> • Establishment of UTI for PEDEC-Nacala • Inter-sectorial committee and its first meeting • Communication policy • Cost for operation of UTI for PEDEC-Nacala • Capacity development project for UTI for PEDEC-Nacala • Road Maps toward Implementation of PEDEC-Nacala
Fourth-Phase		
10 th January, 2018		Minister's approval for Ministerial Decree creating UTI-PEDEC
1 st and 2 nd February, 2018	APIEX JICA Project Team	<ul style="list-style-type: none"> • Nomination of UTI-PEDEC Members • Request of Nomination of Inter-Sectoral Committee Members by Related Ministries • Preparation for the First Inter-Sectoral Committee Meeting
4 th February, 2018	APIEX JICA Project Team	<ul style="list-style-type: none"> • Date for Holding of the First Inter-Sectoral Committee • Request of Nomination of Inter-Sectoral Committee Members by Related Ministries

Source: JICA Project Team

2.1 PEDEC-Nacala**(1) What is PEDEC-Nacala?**

PEDEC-Nacala (the Project for Nacala Corridor Economic Development Strategies in the Republic of Mozambique) was a study project for formulating “Integrated Development Strategies” for the Nacala Corridor and its surrounding areas including five provinces related to the Nacala Corridor (hereinafter referred to as the Nacala Corridor Region). The study project commenced in April 2012 and the final study report was produced in April 2015.

However, it should be noted that PEDEC-Nacala would have a wider meaning at present. For example, in one context, PEDEC-Nacala means the development strategies for the Nacala Corridor Region which were formulated by the JICA Study and approved by the Council of Ministers of Mozambique. In another context, the term PEDEC-Nacala is used for referring to a set of priority projects to be implemented for development for the Nacala Corridor Region .

(2) Objectives of PEDEC-Nacala

The objective of PEDEC-Nacala was “to formulate development strategies to guide appropriate development and investment in the Nacala Corridor.” The development strategies of PEDEC-Nacala were selective and integrated in the coverage of economic sectors, infrastructure sectors and social sectors.

(3) Goals of PEDEC-Nacala

- To enhance social capacity and economic growth in the Nacala Corridor Region
- To effectively guide appropriate development in the Nacala Corridor Regions
- To promote private investment in an appropriate manner in the Nacala Corridor Region
- To appropriately manage resources of the Nacala Corridor Region

(4) Project Framework and Organizations

The Ministry of Planning and Development (MPD, currently part of the Ministry of Economy and Finance) was the executing agency for PEDEC-Nacala. The Special Economic Zones Office (GAZEDA) under MPD was functioning as the secretariat for the Project. The governments of the five provinces of Nampula, Niassa, Cabo Delgado, Tete and Zambesia were counterpart organizations at the provincial level. A variety of ministries and government agencies were members of the steering committee and working group for PEDEC-Nacala.

2.2 PEDEC-Nacala Development Strategies

(1) Vision for the Nacala Corridor Region

The vision for the future of the Nacala Corridor Region is defined as:

A peaceful, prosperous, equitable and sustainable region free from poverty in harmony with the environment.

The four key values of “peace”, “prosperity”, “equality” and “sustainability” are integrated into this phrase.

(2) Overall Development Strategies and Essential Development Strategies for the Nacala Corridor Region

PEDEC-Nacala formulated “Overall Development Strategies” to provide solutions covering a wide range of overall issues. In order to start up regional development so as to lead to region-wide dynamic and inclusive development, “Essential Development Strategies” were formulated and recommended for short and medium-term implementation in line with the Overall Development Strategies.

(3) Overall Development Strategies for the Nacala Corridor Region

The Overall Development Strategies were as follows:

- Creation of Effective Region-Wide Transport and Logistics Systems
- Strengthening of the Foundation for Manufacturing Sectors in Major Urban Centres
- Promotion of Agriculture and Other Economic Sector Development oriented toward Non-Mineral Resources
- Strengthening of Environmental Management and Land Management
- Strengthening of Human Resources Development
- Coordination and Promotion of Integrated Regional Development
- Seeking of Region-Wide Inclusive Development

(4) Essential Development Strategies

The Essential Development Strategies were formulated as below:

- Securing of the Multi-Modal Transport Function of the Nacala Corridor
- Development of the Foundation for Economic Development in Nacala Bay Area, Greater Nampula and Palma
- Promotion of Sustainable Agricultural Development by 1) Promoting Development of Small-Scale Farmers and 2) Promoting Effective Utilization of the Private Sectors’ Vitality and Funds for Assisting Small-Scale Farmers
- Strengthening of Implementation System and Capacity for Environmental Management and Land Management
- Strengthening of Basic Education and Industrial Human Resources Development
- Establishment and Capacity Development of an Institutional Framework for Coordinating and Promoting Integrated Regional Development
- Taking Care of Emerging Social Problems, Vulnerable People and Less Accessible Areas

(5) Action Plan for Short and Medium-Term High Priority Projects

A total of 93 “priority projects” covering various sectors were selected to be implemented between 2015 and 2035. Out of these priority projects, a total of 48 projects were selected as “high priority projects”. The high priority projects should be initiated by 2017 and completed by 2025 in the short and medium terms.

The tables below show the 48 high priority projects, which were grouped into four area programs and eight sector programs.

Table 2.1 High Priority Projects – Area Programmes

Programme	Project
Nacala International Gateway Programme	<ul style="list-style-type: none"> • Nacala Industrial Park Project • Nacala Industrial Belt Area Development Project • Nacala Port Access Road Project • Nacala Multi-Modal Terminal and Railway Shunting Yard Project • Project for Urgent Installation of Thermal Power Generator with Capacity of 30-40MW in Nacala Bay Area • Nacala Thermal Power Plant Project • Nacala Urban Water Supply Expansion Project • SEZ/IFZ Management Improvement Project
Nampula Regional Growth Centre Programme	<ul style="list-style-type: none"> • Nampula Southern Road Bypass Project • Nampula Railway Bypass Project • Nampula Multi-Modal Terminal and Railway Shunting Yard Relocation Project • Railway Crossings Improvement Project
Cuamba Logistics and Industrial Centre Programme	<ul style="list-style-type: none"> • Cuamba Road Bypass Project • Cuamba Industrial Park Project • Cuamba-Marrupa Road Upgrade projects
Palma Natural Gas Exploitation and Chemical Industrial Centre Programme	<ul style="list-style-type: none"> • Palma Port Project • Palma Thermal Power Plant Project • Palma Urban Water Supply Project • Palma Urban Expansion Project • Bridge Replacement Project for Pemba-Palma-Negomane Roads

Source: PEDEC-NACALA Final Study Report

Table 2.2 High Priority Projects – Sector Programmes

Program	Project
Logistics Modernization Sector Programme	<ul style="list-style-type: none"> • Malawi Central Inland Container Depot Project (Malawi) • Chipata Inland Container Depot Project (Zambia) • N-13 Highway Service Stations and Truck Terminals Establishment • Mandimba One Stop Border Post Project • Logistics Improvement Project for Mocuba SEZ • Railway Regulator Capacity Development Project
Water Resources Development Sector Programme	<ul style="list-style-type: none"> • Meteorological and Hydrological Observation Network System and Capacity Development Project • Sanhute Dam Project (for Urban Water Supply to Nacala) • Project for Study on Integrated Water Resources Management of River Basins surrounding Nacala Bay Area and Lurio River Basin • Monte Tiza Dam Project (for Urban Water Supply to Nampula)
Power and Energy Sector Programme	<ul style="list-style-type: none"> • Nampula-Nacala Power Substation Reinforcement Project • Chimuara-Namialo-Nacala Transmission Line Project • Palma-Penba-Nacala Transmission Line Project • Tete Coal Briquette Project
Social and Environmental Management Sector Programme	<ul style="list-style-type: none"> • Environmental Management Capacity Development Project • Project for Strengthening the DUAT Acquisition Process • Project for Capacity Development for the Resettlement Process
Human Resources Development Programme	<ul style="list-style-type: none"> • Community-Based School Management Programme • Programme for Strengthening of Secondary Education with Focus on Science and Mathematics Education • Nacala Medium-Level Technical and Vocational School Project • Cabo Delgado Medium-Level Technical and Vocational School Project • Nacala Superior Polytechnic Project • Cabo Delgado Superior Polytechnic Project
Coordination and Promotion of Integrated Development Programme	<ul style="list-style-type: none"> • Nacala Corridor Regional Development Management Reinforcement Project
Investment Promotion Sector Programme	<ul style="list-style-type: none"> • Large-Scale Projects and Local Industry Linkage Project
Support Programme for Less Accessible Areas	<ul style="list-style-type: none"> • Support Programme for DUAT Acquisition for Small-Scale Farmers in Less Accessible Areas • Programme for Primary School Development in Less Accessible Areas • Programme for Health Centre Development in Less Accessible Areas

Source: PEDEC-NACALA Final Study Report

3.0

Situation of Development in Nacala Corridor Region

3.1 Situation of Development of Major Sectors

Some projects for achieving PEDEC-Nacala development strategies are at the study stage and some projects are at the implementation stage. A summary of the situation of those projects is given in this section.

(1) Port Sector

The construction of the Nacala Port emergency rehabilitation project (by Japanese grant-aid) was completed in October 2015, which includes the repairing of the north quay pavement berth, a new area for containers with 2 RTG and upgrading of the liquid bulk berth.

The implementation of the Nacala Port Development Project (by Japanese ODA loan) is in progress, which includes the extension of a dedicated container berth in the north terminal, installing a new access road for bulk and general cargo traffic and reclamation of four acres for storage facilities and so on. The construction works for port expansion project will be commenced by May 2018 and it is expected to be finished within 36 months. This expansion project aims to increase the handling capacity for containers up to 300 thousand TEUs per year in order to meet the estimated target volume of handling as many containers as 287 thousands TEUs by 2020.

According to the records in the last five years (2012, 2013, 2014, 2015, and 2016), Nacala Port handled containers of 65, 82, 97, 79, and 71 thousands TEUs accordingly (source: Portes do Norte, SA).

(2) Road Sector

Construction for upgrading of trunk roads between Lichinga and Cuamba through Mandimba has been committed to by AfDB and JICA for implementation. In 2017, three projects were started, which are the section of Massangulo to Lichinga financed by JICA and the section of Muita to Massangulo via Mandimba by AfDB.

Improvement of road sections between Nacala Porto and Nacala-a-Velha of Nampula Province and access roads linking agricultural areas to primary roads in Angonia District of Tete Province has been committed to by World Bank for implementation in the Integrated Growth Poles Project. Reconstruction of road between Nampula and Namitil was commenced in 2017, which was financed by South Korea Import-Export Bank.

Feasibility studies for the Nacala Port access road, Nampula Southern bypass road, and Cuamba bypass road development are under way. The preliminary design was completed and the Environmental Impact Assessment is in the process separately.

The grant-aid project for construction of three bridges in Cabo Delgado Province by JICA was signed for its grant-aid agreement (G/A) in 2017.

Still there is remaining section for the rehabilitation project between Malema to Cuamba.

(3) Power Sector

Construction for strengthening of Namialo Power transmission and distribution (including Namialo Substation) (grant-aid project by JICA) has been commenced in 2017.

Construction of transmission line between Chimwara and Alto Molócuè is to be funded by the Islamic Development Bank.

Financing for construction of the transmission line between Alto Molócuè and Nacala via Namialo and between Namialo and Nampula is under consideration by development partners.

A feasibility study related to the Nacala emergency power plant development project was completed.

(4) Railway Sector

After completion of upgrading of railway between Tete to Nacala Port through Malawi, coal transportation has been already started under joint operation with CDN (Mozambique railway operator) and CEAR (Malawi railway operator).

CEAR rehabilitated the section from Nkaya to Limbe via Blantyre and plans to extend the railway line from Nkaya to Mchinji, where the border between Malawi and Zambia. It is expected to start its construction in January 2018, and within two years, it will connect from Nacala Port to the border of Zambia, Chipata, by a single railway transportation network.

Currently, the railway operator transports imported fertilizer to Chipata, Zambia from Nacala Port and considers more market potentials for transport demands by Zambia. Therefore, the dryports and ICD (inland container depot) are expected to be prepared for strengthening of railway transportation by Nacala Corridor.

3.2 Situation on Coal Mining and Natural Gas Development

In addition to the progress at major sectors, the JICA Project Team collected information on coal mining development and natural gas development, which are key driving forces for development of the Nacala Corridor Region.

(1) Coal Mining Development

After the completion of Nacala Port coal terminal and rail track upgrading in July 2015, the pilot shipping of coal from Moatize has been operated once a day. Facilities equipped with the capacities to accept 120 wagons for shipping and unload 5,100 tonnes, and the handling capacity of 18 MTPA¹, are under preparation. The construction related to signals and partial replacement of rail tracks in the Malawi section was also planned to be completed within 2016.

¹ Million Tons Per Annum

On November 30, 2015, the first ship carrying 70,000 tonnes of coal left for west India. The first Capesize vessel from the Nacala Port departed for Kimitsu Works of Nippon Steel and Sumitomo Metal Corporation in Japan, and a vessel with 50,000 tonnes of coal sailed to Poland in the end of June, 2016.

The rail freight operation of eleven trains per day is planned for coal shipping from Tete (18 MTPA out of 22MTPA annual rail freight capacity is allocated for coal shipping, divided into 10MTPA for coking coal and 8MTPA for thermal coal). However, there is a concern over various adverse effects caused by the railway route passing the urban centres of Nampula and Cuamba.

The loader for shipping coal has a handling capacity of 5,100 tonnes per hour and a two kilometre long bipartite conveyor is used for the loading of coal from the stockyard. (Photo taken in December 2015)



The coal freight transport passing Nampula City is shown in the photos below. It was observed that peoples were walking along the railway track even the coal wagons blocked and closed at the level crossing for 20 minutes. There is a new pedestrian bridge in the location slightly away from the city centre. (Photo taken in January 2016)



(2) Natural Gas Development

The Oil Act amended in 2014 stipulates the allocation of 20% of domestically produced natural gas for domestic consumption. However, it is uncertain if the Act is applied back to Anadarko Petroleum (Area 1) and ENI (Area 4). Separate negotiations seem to be going on with the two companies to determine the quotas for domestic consumption of natural gas.

According to the information released on December 3, 2015, Anadarko signed a memorandum of understanding on provision of natural gas for domestic use with the Mozambique government. The conditions agreed to in the MOU is initial provision of natural gas of 50MMCFD per LGN 1 train, or provision of 100MMCFD natural gas in total for domestic use of Mozambique.

Anadarko intended to make the final investment decision in late 2016 and the first shipment of the production was expected to be in 2020 or after 2021 at earliest. However, the decision has been delayed because of the decline in natural gas prices. Anadarko's natural gas development plan was approved by the council of ministers of Mozambique in February 2018. On the other hand, ENI did its final investment decision in June 2017.

It seems that Gigajoule Group in South Africa has conducted a feasibility study for overland pipelines. The construction of the pipelines would not be possible until a decision is made on the amount of natural gas provided for Mozambique and the purchasing price. It is said that the negotiations between the Mozambique Government and Anadarko/ENI have not made any progress to date. There was an announcement that a JV made by ENH Mozambique and South African and Chinese corporations would conduct a technical study and construction of a 2,600km pipeline between Palma and Gauteng in South Africa.

4.0 Cabinet Approval of PEDEC-Nacala Development Strategies

4.1 Activities for Getting Cabinet Approval of PEDEC-Nacala Development Strategies

(1) Acceptance of PEDEC-Nacala Development Strategies by Steering Committee

For the JICA Project for Nacala Corridor Economic Development Strategies, on the 8th of December 2014, an extended working group meeting was held in Maputo for a presentation and discussion on the Draft Final Report for PEDEC-Nacala Development Strategies. This extended working group meeting was done for the purpose of technical examination of the draft final report.

On the 9th of December 2014, a steering committee meeting was held in Maputo for presentation and discussion on the Draft Final Report for PEDEC-Nacala Development Strategies, for confirming the contents of PEDEC-Nacala development strategies by inviting representatives of additional ministries and agencies beyond the members of steering committee and working group for PEDEC-Nacala.

(2) Effort at Getting Cabinet Approval of PEDEC-Nacala Development Strategies

The former Ministry of Planning and Development (PMD) of the last government administration and GAZEDA started their efforts at getting cabinet approval (approval by Council of Ministers) of PEDEC-Nacala development strategies and establishment of a New Agency for implementing PEDEC-Nacala development strategies as follows:

- Explanation and discussion on the Interim Report at the Investment Council (chaired by Minister of Planning and Development) on the 2nd October 2013
- Explanation and discussion on the Draft PEDEC Strategies Report at the Economic Council (chaired by Minister of Finance) on the 29th April 2014

In June 2014, a draft Decree for Nacala Corridor Agency was prepared for discussion at the Council of Ministers. However, since it was in the end period of the last government administration, it was decided not to finish the procedure of cabinet approval and to allow the next administration to handle cabinet approval of PEDEC-Nacala development strategies. This is because the last administration considered it important for the new administration to deal with PEDEC-Nacala development strategies including its cabinet approval.

On the 15th October, 2014, the presidential election was held in Mozambique. A new president, Mr. Filipe Jacinto Nyusi was inaugurated on 15th January 2015.

(3) Communication with Provinces and Ministries

1) Consultation with Provincial Governments

The Steering Committee, which consists of national directors of related ministries and permanent secretaries of the five provinces, approved the contents of PEDEC-Nacala before the establishment of a new government on December 9, 2014. The new administration instructed GAZEDA to hear comments from the five provincial governments by conducting consultation with each provincial government during the year of 2015. Then GAZEDA asked the five provincial governments to give comments to PEDEC-Nacala development strategies. In response to requests from provincial governments, GAZEDA conducted additional presentations to some of the five provincial governments. From 2015 through February 2016, GAZEDA received provincial comments on PEDEC-Nacala and responded to them.

2) Consultation with Ministries

Under the new administration, PEDEC-Nacala development strategies were explained at the Economic and Social Council in June 2015. In this Economic and Social Council meeting, GAZEDA was requested to conduct briefings on PEDEC-Nacala at director meetings of different ministries for the purpose of aligning PEDEC-Nacala development strategies with current government policies. GAZEDA completed explanatory meetings for almost all ministries by February 2016.

(4) Final Seminar in the Planning Phase and First Seminar in the Implementation Phase: 2016/02/18

The final seminar in the planning phase of development strategies of PEDEC-Nacala and the first seminar in the implementation phase were conducted on February 18, 2016 with the participation of 78 persons of central and provincial governments of Mozambique, as well as development partners.

The Councillor from the Japanese Embassy delivered a speech at the seminar. On the Mozambique government side, the Director General of GAZEDA chaired the seminar and the Director of Study on Economy and Finance, Ministry of Economy and Finance, also made a speech. From the provincial governments, the Permanent Secretaries from four provinces (from Nampula Province, director of economy and finance as substitute) and two provincial directors from each of the five provinces partook in the seminar. The director and section chief level staff members of the central government agencies including the Ministry of Foreign Affairs and Cooperation, attended and among development partners AfDB and UN-Habitat were present.

Through participating in the seminar, the participants were able to share awareness on the progress of PEDEC-Nacala toward the next implementation stage. At this seminar, GAZEDA and the JICA Project Team presented selected essential projects for implementing PEDEC-Nacala development strategies.

4.2 Cabinet Approval of PEDEC-Nacala Development Strategies

Two years after the acceptance of PEDEC-Nacala development strategies by the steering committee mentioned in 4.1 (1), on the 29th November 2016, PEDEC-Nacala development strategies were finally approved by the Cabinet (Resolution No. 44/2016). After the approval of the cabinet, on the 30th December 2016, the Resolution was posted in the Official Gazette and released (See Appendix 1). The beginning part of the Resolution has the following very important two articles:

Considering the relevance of the projects and programmes proposed by the Economic Development Strategy of the Nacala Corridor, in the context of the current development of the national economy, for the transformation of the Nacala Corridor into a regional development hub under the provisions of sub-paragraph (f) of paragraph 1 of article 204 of the Republic Constitution, the Council of Ministers determined:

Article 1. The Economic Development Strategy of the Nacala Corridor, also known as PEDEC-Nacala, which is an integral part of this Resolution, is hereby approved.

Article 2. It is incumbent upon the Minister who supervises the area of Industry and Commerce to coordinate the necessary actions on the occasion of the effective implementation of this Strategy.

Because of the second article, it has been determined that the Ministry of Industry and Commerce is responsible for promotion and coordination of implementation of PEDEC-Nacala development strategies.

The Resolution contains all the texts and graphics of the main volumes of the Final Report of the Project for Nacala Corridor Economic Development Strategies.

5.0 Establishment of Organizations for Promoting and Coordinating PEDEC-Nacala Development Strategies

5.1 Approval of Establishment of Technical Implementation Unit for PEDEC-Nacala (UTI-PEDEC) for Implementing PEDEC-Nacala Development Strategies

(1) Approval on the Ministerial Decree on Establishment of UTI-PEDEC

It was recommended to create a new agency that would be in charge of coordination and driving integrated development forward in the Project for Nacala Corridor Economic Development Strategies, which was conducted during the period from 2013 to 2015 by the Executive Agency consisting of the former Ministry of Planning and Development (the former MPD) in the Republic of Mozambique and its affiliated Special Economic Zones Office (GAZEDA).

When the reshuffling of ministries and authorities was done in January of 2015, the former MPD and the former Ministry of Finance were integrated into the Ministry of Economy and Finance, and it was decided that the Ministry of Economy and Finance and its affiliated GAZEDA were to be responsible for PEDEC-Nacala Development Strategies. The Ministry of Economy and Finance and GAZEDA have tackled building the organizational framework including establishment of a new agency as well as the cabinet approval of PEDEC-Nacala Development Strategies. The Economic Advisory Council chaired by the Prime Minister decided in July 2015 that PEDEC-Nacala Development Strategies would be implemented not by an agency newly established but by a unit set up within GAZEDA, being the secretariat for formulating integrated development strategies under the PEDEC-Nacala.

Based on such policy, GAZEDA prepared a draft of an ordinance establishing the Technical Implementation Unit (Unidade Técnica de Implementação (UTI)) within GAZEDA, and was waiting for an approval as a ministerial decree. In addition to UTI, the draft ordinance also prescribed the establishment of Technical Committee which was an advisory body of the Director-General to ensure technical support for the operation of the UTI.

With the Cabinet's decision on the establishment of a new organization, APIEX, by merging three agencies of GAZEDA, CPI and IPEX in December 2016, it was decided that MIC and APIEX would be responsible for coordination for implementation of PEDEC-Nacala Development Strategies. Preparations for the above-mentioned creation of the UTI were handed over to APIEX. The APIEX prepared a draft ministerial decree for establishment of UTI-PEDEC and waited for approval by the Minister of Commerce and Industry.

The Minister of Commerce and Industry signed on the ministerial decree on the establishment of UTI-PEDEC on 10th of January 2018. The signed ministerial decree is set out in Appendix 2.

	Years 2012-2014	Year 2015	Year 2016	Year 2017	Year 2018			
President	President Armando Guebuza	President Filipe Nyusi						
Ministry in charge of PEDEC-Nacala	Ministry of Planning and Development	Ministry of Economy and Finance		Ministry of Industry and Commerce				
Agency in charge of PEDEC-Nacala	GAZEDA			APIEX				
Major Events on PEDEC-Nacala	▲ Mar 2012 Start of PEDEC-Nacala	▲ Jan 2015 Completion of PEDEC-Nacala	▲ 18 Feb Final Seminar of PEDEC-Nacala	▲ 29 Nov Cabinet Approval of PEDEC-Nacala Development Strategies	▲ 12 Dec Cabinet Approval of Establishment of APIEX	▲ 3 Jul Appointment of DG for APIEX	▲ 9 Nov Establishment of Task Force for PEDEC-Nacala	▲ 10 Jan Establishment of UTI-PEDEC

Figure 5.1 Change in Organizations in Charge of PEDEC-Nacala

(2) Organization and Functions of UTI-PEDEC

According to the approved ministerial decree, the organizations and functions of UTI-PEDEC have been determined as follows and the organizational structure of UTI-PEDEC is shown in Figure 5.1:

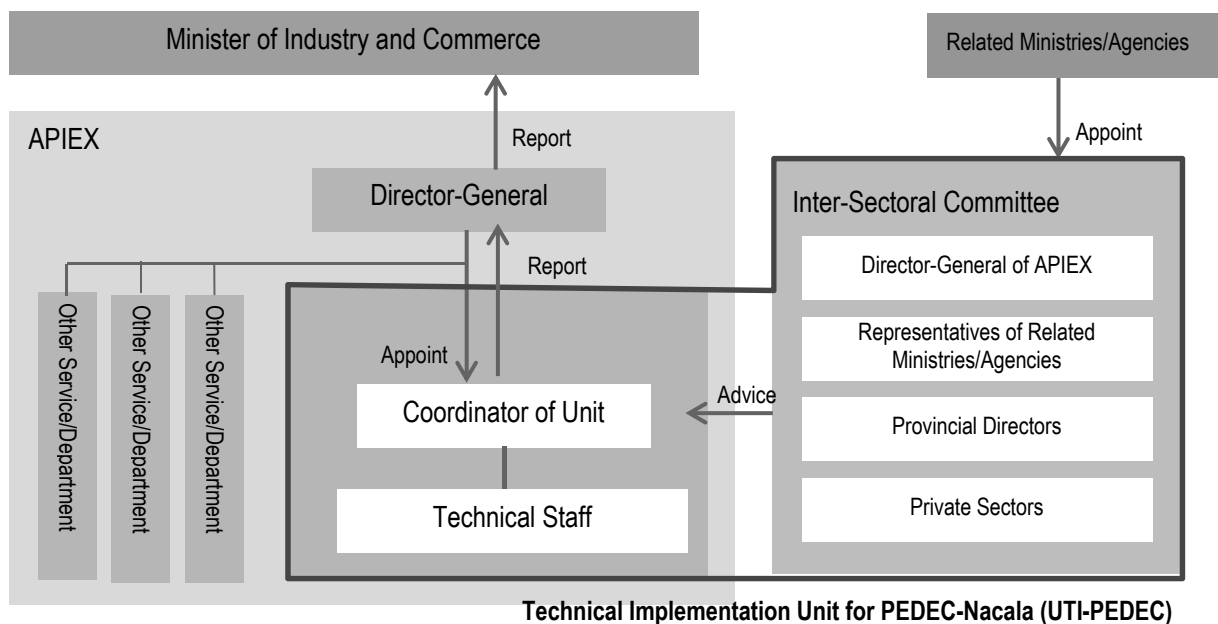
Organizations

- Coordinator
- Inter-Sectoral Committee

Functions

- To coordinate the process of effective implementation of projects and programmes under the Nacala Corridor Economic Development Strategies
- To provide technical assistance in the definition of strategic lines and general policies related to the development of the Nacala Corridor
- To ensure inter-sectoral coordination with a view to creating necessary conditions for the implementation of public and private projects and development initiatives of the Nacala Corridor
- To provide technical support to the economic and social development initiatives of the Nacala Corridor, including the mobilization of financial and material resources
- To facilitate activities of local authorities and development partners in the areas of technological innovation, trade facilitation, agricultural development, markets and infrastructure;
- To promote, among others, the economic potential of the Nacala Corridor with a view to attracting and promoting investment

- g) To provide assistance to Local Governments in the components of planning and spatial planning and local socio-economic development
- h) To monitor the implementation of projects and programmes under the Nacala Corridor Economic Development Strategies
- i) To perform other functions that are necessary to achieve its objectives



Source: JICA Project Team

Figure 5.2 Organizational Structure of UTI-PEDEC

(3) Functions and composition of the Inter-Sectoral Committee for PEDEC-Nacala

According to the approved ministerial decree, the functions and composition of Inter-Sectoral Committee have been determined as follows:

Functions

- a) To coordinate, supervise and monitor the execution of PEDEC-Nacala programmes and projects
- b) To recommend the adoption of strategic measures and actions aimed at the development of the Nacala Corridor, in conformity with PEDEC-Nacala
- c) To evaluate and promote harmonization between PEDEC-Nacala and other public initiatives in the development of the Nacala Corridor
- d) To declare activity plans of UTI-PEDEC and to assure the monitoring and evaluation
- e) To analyse and declare other matters related to the scope of activities and operation of UTI-PEDEC

Composition

- Coordinator of UTI-PEDEC
- Ministry of Industry and Commerce
- Ministry of Economy and Finance
- Ministry of Public Works, Housing and Water Resources
- Ministry of Agriculture and Food Security
- Ministry of Mineral Resources and Energy
- Ministry of Transport and Communications
- Ministry of Labour, Employment and Social Security
- Ministry of Land, Environment and Rural Development
- Ministry of Culture and Tourism
- Government of the Province in the areas of intervention of PEDEC-Nacala
- Private Sector.

5.2 Determination of Members of UTI-PEDEC

In order to satisfy the functions delineated by the approved ministerial decree on establishment of UTI-PEDEC, the JICA Project Team proposed the following composition of members of UTI-PEDEC:

- Coordinator
- Deputy Coordinator
- Technical Staff in charge of Development Planning
- Technical Staff in charge of GIS
- Technical Staff in charge of Investment Promotion
- Technical Staff in charge of Finance
- Technical Staff in charge of Communication
- Technical Staff in charge of Environment Management
- Technical Staff in charge of Human Resources Development (Training)

The Director-General of APIEX established a Task Force to work on the establishment of UTI-PEDEC by appointing members by an official letter. In response to this proposal by the JICA Project Team, the task force of PEDEC-Nacala proposes seven members including the Coordinator and Deputy Coordinator. The final decision of the members of UTI-PEDEC will be waited for.

The JICA Project Team proposed that some of members were to be dedicated members for UTI-PEDEC, while the Coordinator and Deputy Coordinator were not dedicated members for UTI-PEDEC,

5.3 Holding of the First Inter-Sectoral Committee Meeting

After the establishment of the UTI-PEDEC, the Minister of Industry and Commerce sent official letters to the ministries mentioned by the ministerial decree for UTI-PEDEC so that those ministries appoint focal points

(members) for the Inter-Sectoral Committee. At the same time, the official letters invited those focal points to the First Inter-Sectoral Committee meeting.

The First Inter-Sectoral Committee meeting was held at a conference room at VIP Hotel Maputo on 21st February, 2018 for the following purposes:

- To share the background of PEDEC-Nacala including 1) the approval of PEDEC-Nacala development strategies by the council of ministers and 2) the establishment of Technical Implementation Unit (UTI) for PEDEC-Nacala
- To explain the necessity to establish the Inter-Sectoral Committee for promoting and coordination for the implementation of PEDEC-Nacala development strategies
- To kick-off Inter-Sectoral Committee Meetings
- To present and Discuss a Road Map for implementation of PEDEC-Nacala

This meeting was chaired by the National Director for Private Sector Support, Ministry of Industry and Commerce, assisted by the representing Director-General of APIEX. In the meeting, UTI-PEDEC members of APIEX and Inter-Sectoral Committee members generally agree to working together as a team for the purpose of promotion and coordination for implementation of PEDEC-Nacala development strategies.

5.4 Review of Experiences of Organizations for Promoting Regional Development

In order to examine appropriate structures for promoting and coordinating PEDEC-Nacala Development Strategies, the JICA Project Team collected information of organizations working on regional development in Mozambique and other countries, which are described below.

(1) Zambezi Valley Development Agency

We conducted an interview with the General Director of Zambezi Valley Development Agency (hereinafter called "ZVDA"), on 11th November 2015 to ask about manpower, budget, activities, and organization of ZVDA and following are its findings:

- a. Roles, functions, and organization of ZVDA
 - Zambezia Planning Office (GPZ) had existed from the colonial era and was re-structured into ZVDA.
 - A Governmental Committee decided to establish ZVDA in 2000, but it was actually established in 2010 by the Decree 23/2010. The Director General of GAZEDA was a member of the committee. The organization structure was formulated in the Ministerial committee in May 2011.
 - Regarding organizations related to ZVDA, please refer to Resolution 7/2015 of 29 June of the Inter-ministerial Commission on Public Service - Statute of the Ministry of Economy and Finance.
 - The jurisdiction of ZVDA includes 40 districts in Tete, Sofala, Manica and southern Zambezia Province.
 - ZDVA is mainly working on the following three tasks:
 - Formulate a strategy for promoting economic and social development which needs to be approved by the government.
 - Provide technical and fund support for development initiatives. Targets of those supports are covered states and districts.

- Support the states and districts to formulate state regional development plans and district land use plans.
- ZVDA shall provide funds to implementation agencies.
- ZVDA is under the Ministry of Planning and Development (hereinafter MPD), and MPD shall approve ZVDA's annual budget and report.
- ZVDA shall report their progress at the Council of Ministers annually.

b. Authorization of ZVDA

Refer to Decree 23/2010 of 30 June.

c. Organization structure of ZVDA and its function

- Organization structure of ZVDA and its function are prescribed in the Resolution 6/2011 of 11 May and the Ministerial Order 209/2012 of 12 September.
- There are two Technical Directors under the Director General, and each of them controls a department working on survey and strategy, and a department working on supporting projects by technical and fund raising aspects. ZVDA doesn't provide technical and fund raising supports, just for facilitating states and districts to get those supports from other organizations.
- Each of Tete, Manica, Sofala and Zambezia sets up Provincial Unit, and appoints one official to coordinate with the states. Only for Zambezia sets up the unit in Mocuba, instead of Quelimane. Total number of officials is 70.
- ZVDA officials are appointed at each of Mocuba, Caia, Bárue and Chiuta Districts.
- Headquarter is in Tete, and officials are appointed in Maputo.

d. Flow of ZVDA's decision making

Decisions are made in a Business Meeting which are held once a month by Managing Board members which consist of the following

- DG
- Deputy DG, but currently not existing
- 4 Directors
- 4 Delegates
- One in Maputo, not technical role

e. Personnel of ZVDA

Details regarding the personnel are mentioned in the following tables.

Table 5.1 Personnel of ZVDA

<i>PERMANENT STAFF</i>											
<i>Professional Career</i>	<i>DG</i>	<i>SEAE</i>	<i>SATF</i>	<i>SAF</i>	<i>SRH</i>	<i>Maputo</i>	<i>Caia</i>	<i>Mocuba</i>	<i>Barué</i>	<i>Chiuta</i>	<i>Total</i>
	0	1	0	0	0	0	1	1	0	0	3
<i>Pedagogical Technical Instructor (with Univ. degree)</i>	0	0	0	1	0	0	0	0	0	0	1
<i>Higher Technical Public Administration (Univ. Degree)</i>	0	0	0	1	2	0	0	0	0	0	3
<i>Senior Technician of livestock farming (Univ. Degree)</i>	0	0	1	0	0	0	0	0	1	1	3
<i>Higher Technician of Public Works (Univ. Degree)</i>	0	1	0	1	0	0	0	0	0	0	2
<i>Higher Technician of IT and Communication (Univ. Degree)</i>	0	0	0	0	0	1	0	0	0	0	1
<i>Senior Technical position (Univ. Degree)</i>	1	0	2	1	0	3	0	1	1	0	9
<i>School Teacher (Univ. Degree)</i>	0	0	1	0	0	0	0	0	0	1	2
<i>Technical Inspection</i>	0	0	0	0	1	0	0	0	0	0	1
<i>Technical and Vocational career</i>	0	1	0	1	0	0	0	1	0	0	3
<i>Technician</i>	0	0	0	1	0	0	0	0	0	0	1
<i>Administrative Assistant</i>	0	0	0	0	0	1	1	1	0	0	3
<i>Technical Assistant</i>	0	0	0	0	0	0	0	1	0	0	1
<i>Auxiliary Staff</i>	0	0	0	0	0	1	0	0	0	0	1
Total	1	3	4	6	3	6	2	5	2	2	34
<i>HIRED STAFF</i>											
<i>Professional Career</i>	<i>DG</i>	<i>SEAE</i>	<i>SATF</i>	<i>SAF</i>	<i>SRH</i>	<i>Maputo</i>	<i>Caia</i>	<i>Mocuba</i>	<i>Barué</i>	<i>Chiuta</i>	<i>Total</i>
<i>Higher Technical Public Administration (Univ. Degree)</i>	1	0	0	0	0	0	0	0	0	0	1
<i>Senior Technician of livestock farming (Univ. Degree)</i>	0	0	2	0	0	0	1	2	0	0	5
<i>Senior Technical position (Univ. Degree)</i>	2	4	3	1	1	0	1	3	1	1	17
<i>Professional Technician</i>	1	0	0	1	0	0	0	0	1	0	3
<i>Technician</i>	0	0	0	0	0	0	1	0	0	0	1
<i>Technical Assistant</i>	0	0	1	1	0	0	1	0	1	0	4
<i>Administrative Assistant</i>	4	0	1	3	0	1	2	3	1	0	15
<i>Service agent</i>	0	0	0	8	0	0	5	3	1	3	20
<i>Auxiliary Staff</i>	0	0	0	1	0	0	1	1	1	0	4
Total	8	4	7	15	1	1	12	12	6	4	70
GrandTotal	9	7	11	21	4	7	14	17	8	6	104

Source: Zambezi Valley Development Agency

f. The budget of ZVDA

The ZVDA's budget consists of three main budget sources: from the national budget, designated taxes, and funds from outside organizations.

- From the national budget, 2 million USD is provided, and it is allocated to internal management cost and personnel.
- Regarding to designated taxes, these are taxes collected from organizations working on certain jobs which are mentioned in Decree 25/98 of June 2.

It is mainly coal taxes imposed on the quantity generated, and of these, around 3 million to 5 million USD, which is 25% of total tax revenue, is allocated to ZVDA. In addition to this, 25% of land registration fee, 25% of the taxes imposed on transit cargo, 2.5% fee paid to the government from Cahora Bassa electricity company, and other small amounts of taxes are also the revenue of ZVDA. Those are stipulated in Ministerial Decree 2012.

- Regarding to funds from outside organizations, these are from investments and Agrifish-DPO project by the World Bank.

External funds are grant supports from development partners. Currently ZVDA gains the following support:

- Dutch government who supports sustainable and comprehensive Zambezi Valley Development provides 28.15% of the budget of the ISA project, it has 15 million Euros as the total budget for the four year project from 2017 to 2019. This can be used in flexible ways.
- USAID also provides 4 million USD to the projects related to Nacala, Beira, and Zambezi corridors as First Come/ First Serve grant supports named FinAgro.
- World Bank has two projects; one is named “Growth Pole” which supports road construction and capacity development for personnel, the other is Sustainable Integrated Project on Agriculture and Fishery. World Bank provided support as mentioned the table below.

Table 5.2 Support from the World Bank

	ZVDA	Others	Total
1 st instalment	USD 35 million	USD 15 million	USD 50 million
2 nd instalment	USD 25 million	USD 25 million	USD 50 million
3 rd instalment	USD 25 million	0	USD 25 million

Source: Zambezi Valley Development Agency

- There is a large target area and a lot of requests and hopes; therefore, there are many small projects selected by some criteria.
- Not all funds can be used by ZVDA themselves. Only 10% can be used for management costs, and 90% are used for implementation costs.
- There are three prioritized sectors for budgeting. One is Institutional Skill Development, which should offer training in practical skills such as IT literacy, mechanics like vehicles, or agricultural institutions, etc. Second is modernizing and expanding the production capacity of agriculture, forest and fishery industries. For example, a facility for juvenile fish production, a facility for livestock health and sanitary management, equipment management for rural roads in each district, etc. All models are Public Private Partnership. Third is preparation of a business environment to promote coal mining investments and construction of business centres in each district.

Annual budgets in 2012, 2013, 2014, and 2015 are mentioned in the tables below. The information is useful for the UTI-PEDEC to prepare the budget for its operation as reference.

Table 5.3 Annual Budget in 2012

(Unit: MT)

DESCRIPTION	OPERATION		INTERNAL INVESTMENT		103 GPZ PROD		103 GPZ SUP		103 GPZ DUAT		TOTAL	
	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution
Personnel Costs	14,768,000.0	1,340,888.0	1,800,000.0	1,356,102.0	2,000,000.0	916,376.0	0.0	0.0	0.0	0.0	18,568,000.0	3,613,366.0
- Salaries and remunerations	14,000,000.0	923,558.0	1,800,000.0	1,356,102.0	0.0	0.0	0.0	0.0	0.0	0.0	15,800,000.0	2,279,660.0
- Other personnel Costs	768,000.0	417,330.0	0.0	0.0	2,000,000.0	916,376.0	0.0	0.0	0.0	0.0	2,768,000.0	1,333,706.0
Goods and services	5,065,000.0	4,225,390.0	6,873,780.0	6,318,589.0	5,900,000.0	5,842,644.0	2,949,872.0	2,944,383.0	0.0	0.0	20,788,652.0	19,331,006.0
- Goods	842,672.0	842,672.0	1,000,053.0	1,000,053.0	1,013,968.0	1,013,968.0	1,029,658.0	1,024,169.0	0.0	0.0	3,886,351.0	3,880,862.0
- Fuel and Lubricants	500,000.0	500,000.0	564,000.0	466,000.0	500,000.0	449,715.0	0.0	0.0	0.0	0.0	1,564,000.0	1,415,715.0
- Services	2,922,328.0	2,307,448.0	4,783,777.0	4,398,273.0	4,398,273.0	3,983,597.0	1,920,214.0	1,920,214.0	0.0	0.0	13,612,351.0	12,609,532.0
- Communication	800,000.0	575,270.0	525,950.0	454,263.0	400,000.0	395,364.0	0.0	0.0	0.0	0.0	1,725,950.0	1,424,897.0
Current Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Cur. Transf. to Public Admin (MICOA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Cur. Transf. to Private Admin (GAP/VIDE)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fiscal Years	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Expenditures	0.0	0.0	11,326,220.0	9,963,000.0	29,035,024.0	29,035,024.0	2,596,053.0	2,596,053.0	0.0	0.0	42,597,297.0	41,594,077.0
- Constructions	0.0	0.0	256,220.0	0.0	1,000,000.0	1,000,000.0	0.0	0.0	0.0	0.0	1,256,220.0	1,000,000.0
- Machinery and Equipments	0.0	0.0	0.0	4,590,000.0	13,000,000.0	13,000,000.0	2,000,000.0	2,000,000.0	0.0	0.0	15,000,000.0	19,590,000.0
- Means of Transport	0.0	0.0	5,100,000.0	5,373,000.0	0.0	0.0	0.0	0.0	0.0	0.0	5,100,000.0	5,373,000.0
- Remaining Capital goods	0.0	0.0	5,970,000.0	0.0	15,035,024.0	15,035,024.0	596,053.0	596,053.0	0.0	0.0	21,601,077.0	15,631,077.0
	19,833,000.0	5,566,278.0	20,000,000.0	17,637,691.0	36,935,024.0	35,794,044.0	5,545,925.0	5,540,436.0	0.0	0.0	82,313,949.0	64,538,449.0

Source: Zambezi Valley Development Agency

Table 5.4 Annual Budget in 2013

(Unit: MT)

DESCRIPTION	NATIONAL BUDGET				EXTERNAL INVESTMENT				CONSIGNED REVENUES				OWN REVENUES		TOTAL			
	OPERATION		INTERNAL INVESTMENT		AGRI-FISH - DPO		ISA		103 GPZ PROD		103 GPZ SUP		103 GPZ DUAT		Budget	Execution		
	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution				
Personnel Costs	5,689,768.0	5,689,768.0	899,855.0	899,855.0	0.0	0.0	24,282,114.0	20,031,488.0	5,201,800.0	2,451,948.0	3,882,970.0	1,867,833.0	0.0	0.0	910,001.0	910,001.0	40,786,508.0	31,869,893.0
- Salaries and remunerations	3,520,040.0	3,520,040.0	450,000.0	450,000.0	0.0	0.0	19,842,641.0	16,577,439.0	3,000,000.0	1,899,697.0	2,800,000.0	1,577,833.0	0.0	0.0	574,816.0	574,816.0	30,187,497.0	24,599,825.0
- Other personnel Costs	2,169,728.0	2,169,728.0	399,855.0	399,855.0	0.0	0.0	4,439,473.0	3,454,049.0	2,201,800.0	552,251.0	1,082,970.0	390,000.0	0.0	0.0	335,185.0	335,185.0	10,579,011.0	7,269,068.0
Goods and services	4,731,801.0	4,731,801.0	3,226,446.0	3,226,446.0	7,411,126.0	7,411,126.0	31,632,204.0	19,485,108.0	15,481,229.0	13,612,749.0	5,682,650.0	4,655,079.0	0.0	0.0	2,600,999.0	2,600,999.0	70,766,365.0	55,733,218.0
- Goods	1,230,829.0	1,230,829.0	259,000.0	259,000.0	3,023,645.0	3,023,645.0	0.0	0.0	5,767,469.0	4,914,469.0	0.0	0.0	0.0	0.0	1,110,915.0	1,110,915.0	11,391,858.0	10,538,898.0
- Fuel and Lubricants	533,265.0	533,265.0	2,699,253.0	2,699,253.0	0.0	0.0	0.0	0.0	1,800,000.0	1,124,100.0	1,000,000.0	200,000.0	0.0	0.0	441,510.0	441,510.0	6,474,028.0	4,998,128.0
- Services	2,607,707.0	2,607,707.0	268,193.0	268,193.0	4,387,481.0	4,387,481.0	0.0	0.0	6,313,760.0	6,313,760.0	4,082,650.0	4,016,324.0	0.0	0.0	779,989.0	779,989.0	18,439,780.0	18,373,454.0
- Communication	360,000.0	360,000.0	0.0	0.0	0.0	0.0	0.0	0.0	1,600,000.0	1,260,420.0	600,000.0	438,750.0	0.0	0.0	268,495.0	268,495.0	2,828,495.0	2,327,670.0
Current Transfers	285,000.0	58,700.0	0.0	0.0	0.0	0.0	89,034,981.0	52,198,778.0	0.0	0.0	0.0	0.0	0.0	0.0	8,500.0	8,500.0	89,328,481.0	52,265,978.0
- Cur. Transf. to Public Admin (MICOA)	0.0	0.0	0.0	0.0	0.0	0.0	46,792,977.0	15,172,163.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46,792,977.0	15,172,163.0
- Cur. Transf. to Private Admin (GAP/VIDE)	0.0	0.0	0.0	0.0	0.0	0.0	42,242,004.0	37,026,615.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	42,242,004.0	37,026,615.0
- Others	285,000.0	58,700.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8,500.0	8,500.0	293,500.0	67,200.0
Fiscal Years	520,360.0	520,360.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	520,360.0	520,360.0
Capital Expenditures	0.0	0.0	4,931,307.0	4,931,307.0	428,718,417.0	428,718,417.0	12,685,007.0	4,813,872.0	78,721,000.0	68,532,729.0	4,000,000.0	3,168,709.0	0.0	0.0	0.0	0.0	529,655,731.0	510,165,034.0
- Constructions	0.0	0.0	2,231,307.0	2,231,307.0	50,436,281.0	50,436,281.0	0.0	0.0	10,000,000.0	7,815,380.0	1,000,000.0	970,695.0	0.0	0.0	0.0	0.0	63,667,588.0	61,453,663.0
- Machinery and Equipments	0.0	0.0	2,700,000.0	2,700,000.0	345,160,743.0	345,160,743.0	0.0	0.0	55,000,000.0	46,996,349.0	3,000,000.0	2,198,014.0	0.0	0.0	0.0	0.0	405,860,743.0	397,055,106.0
- Means of Transport	0.0	0.0	0.0	0.0	33,121,393.0	33,121,393.0	0.0	0.0	13,721,000.0	13,721,000.0	0.0	0.0	0.0	0.0	0.0	0.0	46,842,393.0	46,842,393.0
- Remaining Capital goods	0.0	0.0	0.0	0.0	0.0	0.0	12,685,007.0	4,813,872.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12,685,007.0	4,813,872.0
	11,226,929.0	11,000,629.0	8,967,608.0	8,967,608.0	436,129,543.0	436,129,543.0	157,614,306.0	96,539,246.0	99,404,029.0	84,597,426.0	13,575,620.0	9,791,621.0	0.0	0.0	3,519,410.0	3,519,410.0	730,437,445.0	650,545,483.0

Source: Zambezi Valley Development Agency

Table 5.5 Annual Budget in 2014

(Unit: MT)

DESCRIPTION	NATIONAL BUDGET						EXTERNAL INVESTMENT		CONSIGNED REVENUES						OWN REVENUES		TOTAL	
	OPERATION		INTERNAL INVESTMENT		AGRI-FISH - DPO		ISA		103 GPZ PROD		103 GPZ SUP		103 GPZ DUAT		Budget	Execution	Budget	Execution
	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution	Budget	Execution				
Personnel Costs	9,683,440.40	9,392,934.10	6,600,000.00	6,356,648.20	0.00	0.00	27,971,696.21	17,501,560.78	13,480,000.00	9,444,170.00	0.00	0.00	1,100,000.00	0.00	1,573,937.30	1,166,686.00	60,409,073.91	43,861,999.00
- Salaries and remunerations	7,385,940.40	7,209,492.60	5,400,000.00	5,386,703.20	0.00	0.00	0.00	0.00	7,750,000.00	5,200,347.80	0.00	0.00	0.00	0.00	1,321,356.80	925,732.00	21,857,297.20	18,722,275.60
- Other personnel Costs	2,297,500.00	2,183,441.50	1,200,000.00	969,945.00	0.00	0.00	0.00	0.00	5,730,000.00	4,243,822.20	0.00	0.00	1,100,000.00	0.00	252,580.50	240,954.00	10,580,080.50	7,638,162.70
Goods and services	5,083,000.00	5,081,472.80	7,200,000.00	7,178,122.00	0.00	0.00	84,913,033.88	55,727,376.22	38,150,000.00	36,093,443.02	7,260,000.00	1,512,929.50	1,540,000.00	563,139.89	2,207,839.00	2,191,738.00	146,353,872.88	108,348,221.43
- Goods	1,350,000.00	1,348,726.20	1,800,000.00	1,791,123.20	0.00	0.00	0.00	0.00	7,510,000.00	7,508,744.92	0.00	0.00	0.00	0.00	600,000.00	382,686.00	11,280,000.00	11,031,280.32
- Fuel and Lubricants	540,000.00	540,000.00	900,000.00	900,000.00	0.00	0.00	0.00	0.00	4,330,000.00	2,330,000.00	1,430,000.00	230,000.00	440,000.00	440,000.00	600,000.00	549,505.00	8,240,000.00	4,989,505.00
- Services	2,743,000.00	2,743,297.70	3,600,000.00	3,599,063.70	0.00	0.00	0.00	0.00	24,280,000.00	24,294,696.10	5,830,000.00	1,282,929.50	0.00	0.00	992,091.50	1,247,060.00	37,425,091.50	33,077,039.00
- Communication	450,000.00	449,458.90	900,000.00	887,935.10	0.00	0.00	0.00	0.00	2,050,000.00	2,050,000.00	0.00	0.00	1,100,000.00	123,139.89	15,837.90	12,487.00	4,515,837.90	3,523,020.89
Current Transfers	100,000.00	45,000.00	57,000.00	57,000.00	0.00	0.00	145,041,013.20	123,783,405.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00	145,223,013.20	123,885,405.00
- Cur. Transf. to Public Admin (MICOA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,787,113.20	73,549,357.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,787,113.20	73,549,357.00
- Cur. Transf. to Private Admin (GAPI/IDE)	0.00	0.00	0.00	0.00	0.00	0.00	61,253,900.00	50,234,048.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,253,900.00	50,234,048.00
- Others	100,000.00	45,000.00	57,000.00	57,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00	182,000.00	102,000.00
Fiscal Years	540,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	540,000.00	0.00
Capital Expenditures	0.00	0.00	15,010,000.00	14,256,880.90	602,323,566.90	602,323,566.90	0.00	40,560,848.05	77,610,000.00	37,971,154.24	11,700,000.00	0.00	0.00	0.00	235,960.00	235,960.00	706,879,526.90	695,348,410.00
- Constructions	0.00	0.00	3,510,000.00	3,391,177.80	267,183,046.20	267,183,046.20	0.00	15,707,987.00	19,000,000.00	19,000,000.00	5,000,000.00	0.00	0.00	0.00	0.00	0.00	294,693,046.20	305,282,211.00
- Machinery and Equipments	0.00	0.00	2,500,000.00	2,368,443.70	317,830,498.70	317,830,498.70	0.00	13,931,107.00	31,910,000.00	11,995,356.10	2,700,000.00	0.00	0.00	0.00	0.00	0.00	354,940,498.70	346,125,405.50
- Means of Transport	0.00	0.00	9,000,000.00	8,497,259.40	0.00	0.00	0.00	10,921,754.05	26,700,000.00	6,975,798.14	4,000,000.00	0.00	0.00	0.00	235,960.00	235,960.00	39,935,960.00	26,630,771.59
- Remaining Capital goods	0.00	0.00	0.00	0.00	17,310,022.00	17,310,022.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,310,022.00	17,310,022.00
Grand total	15,406,440.40	14,519,406.90	28,867,000.00	27,848,651.10	602,323,566.90	602,323,566.90	257,925,743.29	237,573,190.05	129,240,000.00	83,508,767.26	18,960,000.00	1,512,929.50	2,640,000.00	563,139.89	4,042,738.30	3,594,384.00	1,059,405,486.89	971,444,035.60

Source: Zambezi Valley Development Agency

Table 5.6 Annual Budget in 2015

(Unit: MT)

Items	Operation	Internal Inv	Int Inv-DPO	Ext Inv-ISA	Int Inv-PROD	Int Inv-SUP	Rec Prop	TOTAL
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Personnel Costs	11,523,413.20	18,226,211.70	0.00	36,197,400.00	3,400,000.00	0.00	800,000.00	70,147,024.90
- Salaries and remunerations	9,298,143.20	14,646,631.30	0.00	36,197,400.00	0.00	0.00	500,000.00	60,642,174.50
- Other personnel Costs	2,225,270.00	3,579,580.40	0.00	0.00	3,400,000.00	0.00	300,000.00	9,504,850.40
Goods and services	4,852,930.00	8,119,000.00	0.00	94,100,813.00	37,600,000.00	20,000,000.00	1,965,000.00	72,536,930.00
Goods	1,771,000.00	1,575,000.00	0.00	0.00	12,500,000.00	7,000,000.00	965,000.00	23,811,000.00
- Goods	1,001,000.00	900,000.00	0.00	0.00	10,000,000.00	5,000,000.00	710,000.00	17,611,000.00
- Fuel and Lubricants	770,000.00	675,000.00	0.00	0.00	2,500,000.00	2,000,000.00	255,000.00	6,200,000.00
Services	3,081,930.00	6,544,000.00	0.00	0.00	25,100,000.00	13,000,000.00	1,000,000.00	48,725,930.00
- Services	2,233,000.00	5,844,000.00	0.00	0.00	23,000,000.00	10,000,000.00	700,000.00	41,777,000.00
- Communication	848,930.00	700,000.00	0.00	0.00	2,100,000.00	3,000,000.00	300,000.00	6,948,930.00
Current Transfers	528,000.00	0.00	0.00	100,868,800.00	0.00	0.00	30,000.00	558,000.00
- Cur. Transf. to Public Admin (MICOA)				56,115,000.00				
- Cur. Transf. to Private Admin (GAPI/IDE)				44,753,800.00				
- Others	528,000.00	0.00	0.00	0.00	0.00	0.00	30,000.00	558,000.00
Other Current expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditures	0.00	59,741,578.30	30,000,000.00	39,352,057.00	44,000,000.00	10,000,000.00	215,000.00	143,956,578.30
- Constructions	0.00	59,116,578.30	0.00	0.00	19,000,000.00	10,000,000.00	0.00	88,116,578.30
- Machinery and Equipments	0.00	625,000.00	15,000,000.00	0.00	25,000,000.00	0.00	215,000.00	40,840,000.00
- Means of Transport	0.00	0.00	15,000,000.00	0.00	0.00	0.00	0.00	15,000,000.00
- Remaining Capital goods	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand total	16,904,343.20	86,086,790.00	30,000,000.00	270,519,070.00	85,000,000.00	30,000,000.00	3,010,000.00	287,198,533.30

Source: Zambezi Valley Development Agency

- It is important to be audited to maintain transparency for ZVDA operations. Now, ZVDA is being subject to several audits as follows:
 - 1 Governmental Audit Agency
 - 2 Audit from the Ministry of Finance
 - 3 Audit from an external organization
 - 4 Audit from the Ministry of Planning and Development
- ZVDA never has or had any loan projects. Now, three loan projects from China, India, and Brazil which are 100 million USD each are under consideration; however, the new government is not willing to borrow and therefore, has stopped considering further steps for loan projects.

g. Implementation of ZVDA projects

ZVDA classifies corridors into three categories; Belt A is along the main corridor, and belt B and C depend on the distance from the main corridor. ZVDA implements projects corresponding to the categories.

- In Belt A, such as Tete or Mocuba, coal development, and railway and arterial road construction are in progress. Thus, this area is not the target of ZVDA project.
- Thus, ZVDA doesn't target on those area to implement projects.
- On the other hand, the areas of Belts B and C are the very targets for implementation of projects by ZVDA to spill over the benefit generated in Belt A.
- Belt B, such as Angónia, has the potential to produce agricultural products that could be sold in Belt A such as Tete.
- Belt C is a remote area where benefits of the arterial road could hardly reach. Therefore, economic development should be promoted with priority in the area. A project to develop a supply chain is currently ongoing in order to enhance sales of agricultural products, because agricultural products cannot be sold. For example, there is a plan for a rural development park in Chiuta. A rural development park is a distribution centre for agricultural products. Chiuta is located about 100 km from Tete, where no water supply, school, road or electricity are available.
- A role of ZVDA to be played in the region is to enhance connections between Belt C and the major Corridor.
- For example, there are agricultural rural road projects in Chiuta, Machanga, Angónia and Nicoadala, only a half of these projects receive funds from the World Bank.
- IPEME, an agency in charge of small and medium industry development, did not have any branches outside the capital city, Maputo. With assistance from ZVDA, four branch units were opened.
- ZVDA is making an effort to improve access to financial resources in rural areas (through the assistance to CTA), providing support for operation of village units of IPEMA for agricultural funds.
- ZVDA provides assistance for procurement of vehicles, motorcycles, and computers necessary for monitoring of coal mining in Tete, and conducts training for monitoring including the usage of GPS location tracking system.

The assistance of ZVDA includes the following, with the perspectives to provide assistance and support that are rarely available in Belt C.

- ZVDA provides funding for periodical training, such as support for training in land use planning.
- ZVDA supports establishment and operation of service providers in 40 locations for mechanization of agriculture (operated by the public and private sectors).

- ZVDA supports a fishery production centre for production of juvenile fish.
- ZVDA supports construction of a livestock health and treatment facilities to be operated by the private sector.
- ZVDA assists procurement of equipment for maintenance and management of tertiary roads. It provided 70 % of the districts with support for procurement of the equipment. The operation of this case is done by the district government, though the operation of the other cases is managed by the private sector.
- ZVDA supports linking large scale projects, such as coal mining, with SMEs, after CPI attracts investment.

h. External Advisory Body of ZVDA

- According to the Ministerial Order 209/2012 of 12 September (Organic Statute of the Zambezi Agency), there are two external coordination meetings. One is the technical committee that consists of government agencies, the private sector, and NGOs and is convened twice a year. The other one is Inter-ministerial and Regional Board related to the six ministries below, that has never been called yet.
 - Ministry of Economy and Finance
 - Ministry of Agriculture
 - Ministry of Fisheries
 - Ministry of Public Work
 - Ministry of Local Administration (State Government Authority)
 - Ministry of Science, Technology and High Technical and Professional Education
- Coordination with the governors of four provinces is not easy. The governors do not expect that ZVDA will be allowed to play a role that is supposed to be done by the province, because there is only the President above the governors. Thus, the Director General of ZVDA should keep a low profile.

i. ZVDA's communication with stakeholders

- At first, internal communication with agencies and governors of provinces is more important than communication with external actors.
- Coordination is necessary for ZVDA, who does not implement projects, but requires frequent communications with local governments who directly implement projects. Coordination between the private and public sectors is also important.
- Currently a position of a technical expert to manage and update the website is open for hiring.

The case of ZVDA cannot be directly used for the UTI-PEDEC as reference, since the original idea of establishing an agency for promotion and coordination for the implementation of PEDEC-Nacala Development Strategies was changed into establishing a unit within APIEX.

(2) Turkish Agency for Promotion of Regional Development

The Study on the Regional Development Plan for the Eastern Black Sea Region in the Republic of Turkey (DOKAP) was conducted with the cooperation of JICA in 1999 – 2000.

In the DOKAP Operations Plan, it was proposed that three sets of activities needed to be taken after the completion of the Master Plan for coordinated and timely implementation of all the proposed projects and programmes. One of the proposed activities was “Restructuring/Strengthening of Implementing Arrangements”, and establishment of a regional agency was proposed to facilitate the DOKAP Master Plan implementation through effective planning,

coordination and monitoring. As the form for the regional agency, a union of DOKAP local governments was recommended.

The Government of the Republic of Turkey (GOT) aims at well-balanced development, therefore the GOT established 26 development agencies to accelerate regional development and reduce inter-regional and intra-regional disparities in accordance with the principles and policies set in the Development Plan and Programmes. As one of the 26 development agencies, the Eastern Black Sea Development Agency (DOKA) was established in 2009, covering six provinces.

DOKA is expected to be a catalyst for development of the area and aims to achieve economic growth as primary objectives. DOKA is, however, a newly established agency, and does not have enough knowledge and experience to implement their challenging tasks. Based on the request from the GOT, the Project for DOKA to strengthen its institutional and human capacity for managing programmes for local and regional development commenced in April 2012 as a three-year technical cooperation project.

6.0 | **Communication Necessary for Implementation of PEDEC-Nacala Development Strategies**

6.1 **Preparation of Communication Policy for PEDEC-Nacala**

The process of preparation of the PEDEC-Nacala Communication Policy started in December 2015 with interviews with the GAZEDA members who could provide information on the Project development and the communication it had already developed at the time.

The strategy was also based in the analysis of the Final Study Report produced by the JICA project and the feedback received by PEDEC-Nacala during the public events where it presented and discussed the Project with stakeholders.

The last version of the document was prepared in December 2017, after the new members of the recent created APIEX had the chance to review and comment it.

The Communication Policy has six major parts:

- Analysis of the PEDEC-Nacala
- Description of the main stakeholders' group of the Project
- Communication policies
- Strategy
- Definition of the priority tools and actions
- Estimated costs for the implementation of the Strategy

The goal of such an extent document is to transfer knowledge and guide APIEX and UTI-PEDEC in the short, medium and long-term communication with the key national and international stakeholders.

6.2 **Development of Brand of PEDEC-Nacala**

The creation of the brand of PEDEC-Nacala is considered a priority so that the Project could build its communication on top of it.

Considering the need to create other communication tools to explain the PEDEC-Nacala to several of its stakeholders, it is necessary to have a brand and a logo which, with time, will be clearly recognizable.

To create this brand, a process which began in November 2017, we started with a brainstorm meeting with the task-force of PEDEC-Nacala, which provided some input, but tried to not influence the creativity of the creative designer.

From the beginning, we set three goals for the brand: it should be 1) sober, 2) modern but institutional and 3) transmit the sense of movement/evolution and aggregation.

From the initial proposals which were presented, of which the task-force analysed and gave feedback, until, after several tests with colours and texts, in December 2017 the task force voted unanimously for the current brand. The selected logo was proposed to and was approved by APIEX director-general.

The logo was first used in public at the 1st Inter-Sectoral Committee meeting for PEDEC-Nacala, in Maputo, February 21st 2018.

Together with the brand, it was created and delivered a brand manual which as all the rules for the use of the brand and the logo.



Figure 6.1 Logo of PEDEC-Nacala

6.3 Development of Tools for Communication Activities

During the project period, several tools for communication activities already defined in the Communication Policy as priority, to be created before PEDEC-Nacala started its external communication, were developed. Here are the tools developed:

- Institutional leaflet in Portuguese
- Community's leaflet in Portuguese
- Publicity banner
- Digital newsletter mock-up
- Roll-up (two different versions)
- FAQ list
- Website mock-up
- Radio Script
- Stationary and merchandising mock-ups

The decision to create these tools was made at a task-force meeting which occurred on November 2017, where it was decided that tools should be created immediately to support the promotion of the PEDEC-Nacala, the work of the UTI-PEDEC and the implementation of the Communication Policy.

The creation of these tools was made in coordination with the task-force, although, at the time of this report, the process of analysis and discussion of these tools with the UTI-PEDEC is still ongoing. The ongoing work will consider the analysis of the tool's content and design, so they are of good use to the UTI-PEDEC.

7.0 Selection of Essential Projects out of Very High Priority Project for Implementation of PEDEC-Nacala Development Strategies

7.1 Introduction

While the Final Report of the JICA Project for Economic Development Strategies recommends 48 very high priority projects, it is too many for UTI-PEDEC to promote and coordinate for implementation of PEDEC-Nacala development strategies. It is necessary to select a smaller number of projects in order to initiate and drive development by taking advantage of emerging development opportunities.

7.2 Definition of Essential Projects

Among 200 projects selected by PEDEC-Nacala, 93 projects are chosen as High Priority Projects to be completed by 2035, of which 48 projects are categorized into Short and Medium-term High Priority Projects (Very High Priority Projects) to be started by 2017 and finished by 2025 (See Chapter 20 of PEDEC-Nacala Report).

In this project, the Essential Projects are chosen from the 48 Very High Priority Projects as the driving force of economic development.

The Essential Projects include 28 projects and are divided into three categories:

- **Driving Project:** Needs to be implemented at first as the driving force to materialize economic development of the Nacala Corridor region. Nineteen projects are selected, including ten sector projects and nine area projects as part of the Nacala International Gateway Programme, Nampula Regional Growth Centre Programme, Cuamba Logistics and Industrial Centre Programme, and Palma Natural Gas Exploitation and Chemical Industrial Centre Programme,
- **Mitigation-type Project:** Strongly recommended to deal with negative consequences that would emerge along with economic growth. Six projects are chosen, and
- **Capacity Building Project:** Required to improve important capacity to support economic development. Three projects are selected.

The figure in the next page presents the Essential Projects and the other projects in the 48 Short and Medium-Term High Priority Projects, with information of the project locations.

Based on the proposal on the selection of Essential Projects made by the JICA Project Team, stakeholders should discuss and make the final decision on the selection.

Very High Priority Projects (48 Projects)/ Essential Projects

Priority Projects Identified by PEDEC-Nacala: **Over 200** Projects

High Priority Projects Identified by PEDEC-Nacala: **93** Projects

Very High Priority Projects Identified by PEDEC-Nacala: **48** Projects

- Essential Driving Projects** 19 Projects including 4 on-going Projects
- Essential Mitigation-Type Projects** 6 Projects
- Essential Capacity Building Projects** 3 Projects

Logistics Modernization Sector Programme

- Railway Regulator Capacity Development Project
- Malawi Central Inland Container Depot Project (Malawi)
- Chipata Inland Container Depot Project (Zambia)
- N-13 Highway Service Stations and Truck Terminals Establishment
- Mandimba One Stop Border Post Project
- Logistics Improvement Project for Mocuba SEZ

Water Resources Development Sector Programme

- Meteorological and Hydrological **Observation Network System** and Capacity Development Project
- Sanhute Dam** Project (for Urban Water Supply to Nacala)
- Project for **Lurio River Water Resources Development** for Water Supply to Nacala Bay Area
- Monte Tiza Dam** Project (for Urban Water Supply to Nampula)



Area Programme

Palma Natural Gas Exploitation and Chemical Industrial Centre Programme

- Bridge Replacement Project for Pemba-Palma-Negomane
- Palma Port Project
- Palma Thermal Power Plant Project
- Palma Urban Water Supply Project
- Palma Urban Expansion Project

Nacala International Gateway Programme

- Nacala **Industrial Belt Area** Development Project
- Nacala **Port Access Road** Project
- Nacala **Multi-Modal Terminal** and **Railway Shunting Yard** Project
- Project for Urgent Installation of **Thermal Power Generator** with Capacity of 30-40MW in Nacala Bay Area
- Nacala **Thermal Power Plant** Project
- Nacala **Urban Water Supply Expansion** Project
- Nacala **Industrial Park** Project
- Nacala **SEZ/IFZ Management Improvement** Project

Nampula Regional Growth Centre Programme

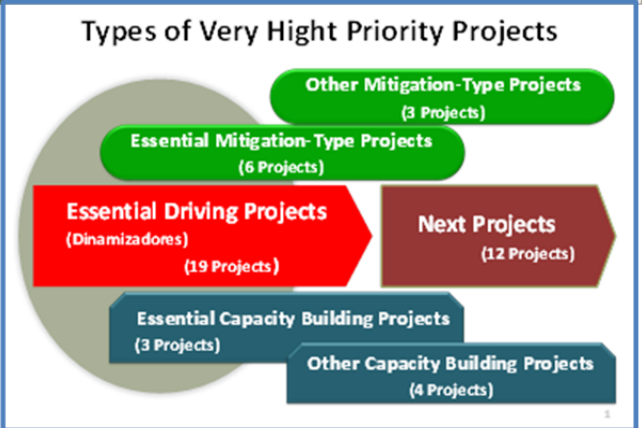
- Nampula **Railway Bypass** Project
- Railway **Crossing Improvement** Project
- Nampula **Southern Road Bypass** Project
- Nampula **Multi-Modal Terminal and Railway Shunting Yard Relocation** Project

Cuamba Logistics and Industrial Centre Programme

- Cuamba **Road Bypass** Project
- Cuamba **Industrial Park** Project
- Cuamba-Marrupa **Road Upgrade** Project

Power and Energy Sector Programme

- Nampula-Nacala **Power Substation Reinforcement** Project
- Chimuara-Namialo-Nacala **Transmission Line** Project
- Palma-Pemba-Nacala **Transmission Line** Project
- Tete **Coal Briquette** Project



Sector Programmes

Human Resources Development Programme

- Programme for Strengthening of Secondary Education with Focus on Science and Mathematics Education
- Nacala Medium-Level Technical and Vocational School Project
- Community-Based School Management Program
- Cabo Delgado Medium-Level Technical and Vocational School Project
- Nacala Superior Polytechnic Project
- Cabo Delgado Superior Polytechnic Project

Social and Environmental Management Sector Programme

- Environmental Management** Capacity Development Project
- Project for Strengthening on the **DUAT Acquisition Process**
- Project for Capacity Development for the Resettlement Process

Coordination and Promotion of Integrated Development Programme

- Nacala **Corridor Regional Development Management Reinforcement** Project

Investment Promotion Sector Programme

- Large-Scale Projects and Local Industry Linkage Project

Support Programme for Less Accessible Areas

- Support Programme for **DUAT Acquisition** for Small-Scale Farmers in Less Accessible Areas
- Programme for **Primary School Development** in Less Accessible Areas
- Programme for **Health Centre Development** in Less Accessible Areas

Source: JICA Project Team

Figure 7.1 Essential Projects and Other Projects

7.3 Essential Driving Projects

The names and summaries of the nineteen Essential Driving Projects, including nine area projects and ten sector projects are provided in the Table below.

Table 7.1 Essential Driving Projects (Area Projects: 9 Projects)

ID	Project Name	Outline
1-A-01	Nacala Industrial Belt Area Development Project	A total of 100 hectares of land plots will be prepared in the industrial belt area where industries intending to locate in Nacala SEZ are guided. APIEX will get land use rights (DUAT) and arrange utilities for providing private investors with land plots equipped with infrastructures (access roads, electricity and water supply). This project is an immediate measure to cater to the rapidly growing demand for industrial land in Nacala SEZ until the Nacala Industrial Park comes into operation.
1-A-02	Nacala Port Access Road Project	The project will accommodate the road traffic expected to increase as a result of the expanded port capacity and urban development of Nacala Bay Area. It extends 13.5 km from National Road No.12 northward up to Nacala Port, including a 0.7 km bridge section. The road will be a two-lane road initially, and expanded later to a four-lane road.
1-A-03	Nacala Multi-Modal Terminal and Railway Shunting Yard Project	The project will have three components, namely 1) multi-modal terminal (railway and truck), 2) shunting yard and 3) locomotive depot. The project will ensure smooth transshipment of cargoes from railway to trucks and vice versa at a multi-modal terminal (railway cargo station with truck terminal). The railway shunting yard in the project will enable efficient shunting of trains whose number is expected to rise as a result of larger cargo handling volume generated at Nacala Port, planned IFZ and industrial areas in the hinterland. The cargo handling capacity will be 50 to 60 thousand TEU per year. The proposed project site is about 10 km south of Nacala Port along the proposed Port Access Road route.
1-A-04	Project for Urgent Installation of Thermal Power Generator with Capacity of 30-40MW in Nacala Bay Area	Power supply to Nacala Bay Area and Greater Namupla heavily depends on Cahora Bassa Hydro Power Plant and a long-distance transmission line (about 1,000 km). Since the existing transmission network does not have redundancy, there is a high risk of long-time blackout in Nacala Bay Area and Greater Namupla. In order to respond to the needs for increasing power demand in Nacala Bay Area, and to reduce the risk of long-time blackout due to obsolete and deteriorated electricity distribution facilities, a thermal power generator (dual fuel turbine generator) will be urgently established in the short term in Nacala Bay Area.
1-A-05	Nacala Thermal Power Plant Project	A thermal power plant will be established in Nacala Bay Area in order to secure stable power supply for satisfying the rapidly increasing demand for electricity. The capacity will be 200 to 300 MW in the first phase and 600 MW in the second phase. Either coal or natural gas will be used as fuel.
1-A-06	Nacala Urban Water Supply Expansion Project	The project will enhance the water supply capacity by 50,000 m ³ per day (14.6 million m ³ per year) to meet the increasing water demand in Nacala Bay Area by year 2017. The components include enhancement of the capacity of the existing treatment plant at Muecula Dam, expansion of the water distribution system in Nacala Municipality and development of a water distribution system in Nacala-a-Velha District.
1-A-07	Nampula Southern Road Bypass Project	Nampula City will continue to grow as the business, commercial and industrial centre of northern Mozambique and transportation node of national highways and inter-regional roads. The project will divert the through traffic from National Road No.13 to/from the west and National Road No.1 to/from the east avoiding concentration of traffic in the city centre. It is 32.5 km long running south of Nampula City as part of a ring road proposed for the future and will be 16-metres wide for the initial development.

ID	Project Name	Outline
1-A-08	Cuamba Road Bypass Project	The project will divert the through traffic on National Road No.13 to prevent degradation of the urban environment and minimize traffic accident risk and to guide expansion of the urban area to the north of Cuamba across the river, a tributary of the Lurio River. The bypass road will be a two-lane road of about 11 km long including a 50-metre bridge over the river. The new road section of the bypass branches off from National Road No.13 at about 5 km east of Cuamba, runs west-northwest and converges with National Road No.360.
1-A-09	Bridge Replacement Project for Pemba-Palma-Negomane Roads	Eight existing bridges will be replaced in the eastern part of Cabo Delgado Province to achieve two objectives. The first objective is to improve the road connection between Palma and Pemba to better serve Palma, which is a support base for natural gas extraction and a chemical industrial base utilizing extracted natural gas. For the first objective, six bridges between Mcomia and Oasse are identified for replacement. The second objective is to improve the road connection between the Tanzania side and Palma/Pemba. At Negomane, the border between Tanzania and Mozambique, there is a bridge called "Unity Bridge". However, the Mozambican side does not have good road access to Unity Bridge from Palma. For the second objective, two bridges between Negomane and Mueda are identified for replacement.

Source: JICA Project Team

Among the projects above, a feasibility study is currently being conducted by ANE for the road projects, 1-A-02, 1-A-07, and 1-A-08. The preparation is going on for implementation of the bridge replacement project, 1-A-09. The power supply projects, 1-A-04 and 1-A-05 are under review as well.

Table 7.2 Essential Driving Projects (Sector Projects: 10 Projects)

ID	Project Name	Outline
1-S-01	Malawi Central Inland Container Depot Project (Malawi)	Inland container depots (ICDs) will be established at two locations in Malawi (Liwonde and Chipoka) and at one location in Zambia (Chipata) in order to ensure efficient export and import of railway cargoes through Nacala Port (time and cost saving), thus enhancing the attractiveness of the railway transport among Mozambique, Malawi and Zambia. Each ICD will be 1.2 hectares with railway yard, bonded warehouses, container freight station and container yard.
1-S-02	Chipata Inland Container Depot Project (Zambia)	
1-S-03	N-13 Establishment of Highway Service Stations with Truck Terminals	Highway service stations with truck terminals will be established at four locations along National Road No.1 (N-1) and National Road No.12 (N-12): Namialo, Ribaue and Malema in Nampula Province and Cuamba in Niassa Province. They will offer rest areas for truck drivers, parking spaces, vehicle maintenance service, emergency response service, markets for local products and logistic services (storage, breaking bulk and distribution to smaller distribution trucks). Each area will be 250 to 400 metres long and 100 to 200 metres wide.
1-S-04	Meteorological and Hydrological Observation Network System and Capacity Development Project	The deteriorated meteorological and hydrological observation network system in the three regional management authorities (ARA-Central North, ARA-North and ARA-Zambezi), will be rehabilitated and upgraded by procurement of equipment and training of ARA officers. Sixty eight pieces of hydrometric equipment and 138 pieces of meteorological equipment will be procured. A total of 15 ARA officers will be trained on site for 6 months. DNA officers will be trained for data analysis.
1-S-05	Sanhute Dam Project (for Urban Water Supply to Nacala)	The Sanhute Dam will be constructed about 39 km southwest of Nacala City along N-12. About 40,000 m ³ of water per day will be conveyed to the existing Maecula Dam, about 9 km from the Sanhute Dam, and further transferred to Nacala area through the existing water pipeline. An FS has been completed already.

ID	Project Name	Outline
1-S-06	Project for Study on Integrated Water Resources Management of River Basins surrounding Nacala Bay Area and Lurio River Basin	<p>At present, Nacala Bay Area does not have sufficient water resources for water supply to urban people's lives and economic activities. In the short term, Sanhute Dam Development Project could provide enough water for Nacala Bay Area in the short term, but it is not possible in the middle term, since the river water catchment areas for Nacala Bay Area are limited. Therefore, it is essential to consider water resources development of Lurio River, which is about 150 km away from the Nacala Bay Area.</p> <p>However, since it is too hasty to propose construction of an intake weir or dam for water resources development of Lurio River, this Study Project on Integrated Water Resources Management includes 1) study on water resources endowment, 2) study on present and future demand for water, 3) study on impact of water resources development on downstream, 4) formulation of strategies on water resources development, 5) formulation of projects on water resources development and water supply, and 6) study on institutional aspects on water resources management.</p> <p>This project could formulate technologically feasible and concrete solutions to satisfy rapidly increasing demand for water in Nacala Corridor Region, based on environmental consideration. If the usable water volume of Lurio River is not sufficient for increasing water demand of Nacala Bay Area, the utilization of desalination plants will be also considered.</p> <p>However, Nacala Corridor Region's network system for metrological and hydrological observation, which had been established and installed under the Portuguese colonial government, has been obsolete and not so well functional. Therefore, it is necessary to rehabilitate and upgrade the observation system by implementing "Meteorological and Hydrological Observation Network System and Capacity Development Project (1-S-04)", which is a project proposed as one of essential projects.</p>
1-S-07	Monte Tiza Dam Project (for Urban Water Supply to Nampula)	The Monte Tiza Dam will be constructed about 50 km south of Nampula City to supply water of about 259,000 m ³ per day or 95,000,000 m ³ per year. A raw water transmission pipeline system of about 60 km will also be installed.
1-S-08	Nampula-Nacala Power Substation Reinforcement Project	Phase 1 of the project aims to stabilize the power supply to Nampula City, Nacala City and the areas in between by establishing a new power substation in Namialo in Nampula Province and introducing substation control systems and other equipment at the existing Nampula 220 Substation and Nampula Central Substation. In Phase 2, the transformers of the four power substations will be repaired.
1-S-09	Chimuara-Namialo-Nacala Transmission Line Project	New transmission lines (635km for 400kV, 190km for 220kV and 21km for 110kV) will be installed between Chimuara in Zambeze Province and Nacala running through Nicuadala, Mocuba and Alto Morocue in Zambeze Province and Nampula, Namialo and Monapo in Nampula Province to ensure stable power supply to these areas. The project also includes construction of two new power substations and installation of transmission-related equipment at the six existing substations.
1-S-10	Nacala Corridor Regional Development Management Reinforcement Project	<p>UTI-PEDEC will be created under the Ministry of Industry and Commerce. Its main responsibility will be to coordinate planning and development across all the sectors and different government levels in the Nacala Corridor Region. Its function is mainly technical. It submits reports to the existing decision-making bodies at the political level.</p> <p>Capacity development for UTI-PEDEC will be conducted to cover monitoring, evaluation, coordination and promoting for integrated development.</p>

Source: JICA Project Team

Regarding projects in the power sector in the list, the implementation of 1-S-08 has partially started, and 1-S-09 is under discussion.

7.4 Essential Capacity Building Projects

The names and summaries of 3 Essential Capacity Building Projects are presented in the Table below.

Table 7.3 Essential Capacity Building Projects (3 Projects)

ID	Project Name	Outline
1-C-01	Nacala SEZ/IFZ Management Improvement Project	Mozambique, especially the Nacala Corridor Region and Maputo, requires the physical and soft capacity for accommodating incoming investments/enterprises by providing industrial parks or designated industrial areas with necessary infrastructure, as well as by providing management services for incoming and operating enterprises. This project aims at capacity development of APIEX for improvement of Nacala SEZ management and planning new SEZs and IFZs in Mozambique, especially for the purpose of increasing APIEX's physical and soft capacity for accommodating incoming enterprises and supporting operating enterprises.
1-C-03	Programme for Strengthening of Secondary Education with Focus on Science and Mathematics	The project aims to improve the quality of secondary education by focusing on science and mathematics so that human capital, which will contribute to the country's economic growth will be developed. A cascade training system will be developed from the central level, the provincial level and toward the school district. Teaching manuals will be prepared as well. The project will be for three years.
1-C-04	Nacala Medium-Level Technical and Vocational School Project	A medium-level technical and vocational school will be established in Nacala Bay Area, which will provide technical and vocational education for transport, logistics, manufacturing and service industries. Demand for skilled labourers by foreign investors locating in Nacala will be fulfilled locally. The project period will include concept planning, FS, DD, construction, procurement of equipment, development of educational programmes and curriculum, training of teachers and institutional development.

Source: JICA Project Team

7.5 Essential Mitigation-type Projects

The names and summaries of 6 Essential Mitigation-Type Projects are presented in the Table below.

Table 7.4 Essential Mitigation-type Projects (6 Projects)

ID	Project Name	Outline
2-02	Nampula Railway Bypass Project	The double track railway bypass will divert the trains transporting coal produced in Moatize, general cargoes and containers to avoid congestion and degradation of the urban environment in the central part of Nampula City. The bypass route runs in the north of Nampula City with a length of 43 km.
2-03	Railway Regulator Capacity Development Project	The roles of INATTER (Instituto Nacional dos Transportes de Terrestre), responsible for regulation and supervision of the railway and road sectors, will become important when the private concessionaire for the Nacala Corridor Railway (Northern Railway and new sections) comes into operation soon. The capacity of INATTER will be strengthened in the areas of monitoring and guidance of private operators and enforcement of regulations, as well as transport statistics data collection, transport policy and programme formulation, international standardization and transport safety development. The project period will be three years.

ID	Project Name	Outline
2-04	Environmental Management Capacity Development Project	<p>In the existing EIA system, project proponents should prepare and submit environmental management plans. However, MITADER has not developed enough capacity to monitor and guide the implementation of environment management plans. Firstly, an implementation system for monitoring and guiding of project proponents will be established. Secondly, in accordance with the implementation system to be established, the capacity development will be conducted for implementing monitoring and guidance of project proponents' activities for environmental management plans.</p> <p>Furthermore, environmental laboratories will be established in Maputo, Tete and Nacala, which will be provided with a set of environmental monitoring equipment required for collecting fundamental environmental information. Capacity development will be also undertaken for MITADER officers on the usage of the equipment, preparation of a monitoring programme, periodical inspection, maintenance of the equipment and preparation of an environmental audit programme. The environmental legal framework will be improved as well.</p>
2-05	Project for Strengthening on the DUAT Acquisition Process	<p>The following operation of provincial and district level cadastral offices is strengthened to avoid land conflicts between the investors and the communities.</p> <ul style="list-style-type: none"> ➤ Management of land use information database and the administrative/ technical procedure of land registration (land identification and GIS mapping) ➤ Monitoring of the participatory consultation process ➤ Awareness raising of the communities on their land rights or land value <p>An approach combining "community DUATs" and "small-scale farmers' individual DUATs" is to be pursued for securing local farmers' land.</p> <p>MINAG, DNTF and SPCG are the relevant administration units.</p>
2-06	Large-Scale Projects and Local Industry Linkage Project	<p>The objective of this project is to promote linkages between large-scale incoming investment projects and local industries. For this purpose, a company directory of both large scale companies and local SMEs is to be introduced, and matching of both parties will be done. CPI is currently working with UNIDO for creating a company database whose output will be utilised for this proposed project. This project period will be for two years.</p>
2-07	Support Programme for DUAT Acquisition for Small-Scale Farmers in Less Accessible Areas	<p>In the areas along the main corridors and the areas near Tete's coal mining and Palma's natural gas exploitation, the "Project for Strengthening the DUAT Acquisition Process" will be implemented. On the other hand, less accessible areas away from the transport corridor and major mining sites also require special actions for supporting small-scale farmers, especially when private investments and infrastructure projects are determined to come to such less accessible areas. This project targets the less accessible areas in Niassa and Cabo Delgado Provinces.</p>

Source: JICA Project Team

The Essential Projects that are indispensable for economic growth of the Nacala Corridor Region include the basic infrastructure projects related to roads, water resources and power supply, which requires a particularly large amount of capital investment and a long period of time to complete it.

The preparation is started for implementation of some of the road and power supply projects, while for the water resource projects, 1-S-04 and 1-S-06, the preparation work should be done, gaining support from donors. If water resource development is lacking and sufficient water is not provided, then sooner or later industrial development and urban growth would stagnate even with road development and power supply provision.

Along with the development of the roads, the water and power supply essential for industrial development and urban growth, attractive locations for industrial development and proactive advertisement [1-C-01], are critical to foster the new industry.

In addition to these efforts, logistic terminals offering good connections between rail and road freight transport systems [1-A-03, 1-S-01, 1-S-02] and initiatives to ensure safe and regular operations of rail freight [2-03] are important in order to deliver products to the vast market along the Nacala Corridor passing through the international boundaries and activate export-oriented industry using the products from inland areas.

8.0 Essential Projects Recommended for Implementation with Support of Development Partners

8.1 Essential Projects Recommended for Implementation with Support of Development Partners

The JICA Project Team proposes the following essential projects out of the selected projects shown in Chapter 7, which are to be implemented with support of development partners.

8.2 Projects for Strengthening of a Foundation for Nacala Bay Area

Currently the expansion project of Nacala Port is going on under the Japanese ODA loan scheme. After completion of the project, the port is expected to function as an attractive seaborne entrance to the international corridor across land-locked countries as well. A development plan of a port access road is under preparation as well. Thus, heavy traffic related to the port shall be directed to the international corridor [N12 - N1 – N13], bypassing the city centre.

On the other hand, in addition to road transport, a railway transport system that offers inexpensive bulk shipment service should be developed in order to improve the logistic function of Nacala Port in the corridor.

It is anticipated that there would not be enough space for freight trains due to the small size of the back land in the existing port plan. Nacala Multi-modal Terminal and Railway Shunting Yard indicated in 1-A-03 shall contribute to growth of the corridor transport by providing a sufficient shunting yard connecting the port with the railway and promoting transshipment between tracks for road transport and railway.

Development of the multi-modal terminal shall raise the potential for industrial development around the port, such as the processing and assembling of imported goods for the inland areas and export-oriented processing of the agricultural products from the inland areas. As a result, industrial estates planned in PEDEC-Nacala are more likely to be materialized.

Therefore, the multi-modal terminal development [1-A-03] is proposed as a high priority, after the port expansion and the port access road.

The multi-modal terminal development should be implemented by the public sector, not by the private sector, because of the large amount of investment required for development of the foundation (land acquisition and ground levelling, rail for railway shunting yard, etc.). It should be examined whether the project should be implemented by the Ministry of Transport and Communication (MTC) or the Mozambique Ports and Railways (CFM), or if the project is implemented by APIEX as part of the infrastructure development projects in a special economic zone. Moreover, construction of structures (such as warehouses), procurement of equipment, and terminal operation can be contracted out to the private sector through granting a concession, which could reduce the public spending for the project.

As discussed before, water and power supply, which is indispensable for industrial development, is a key of development of the area. Thus, it is necessary to seek assistance for development of water and power supply. For water resources development, the implementation of Meteorological and Hydrological Observation Network System and Capacity Development Project [1-S-03] is strongly recommended since its system is obsolete and not useful for adequate water resources development and management. This project could be an important basis for implementing the project for Integrated Water Resources Management Study [1-S-06].

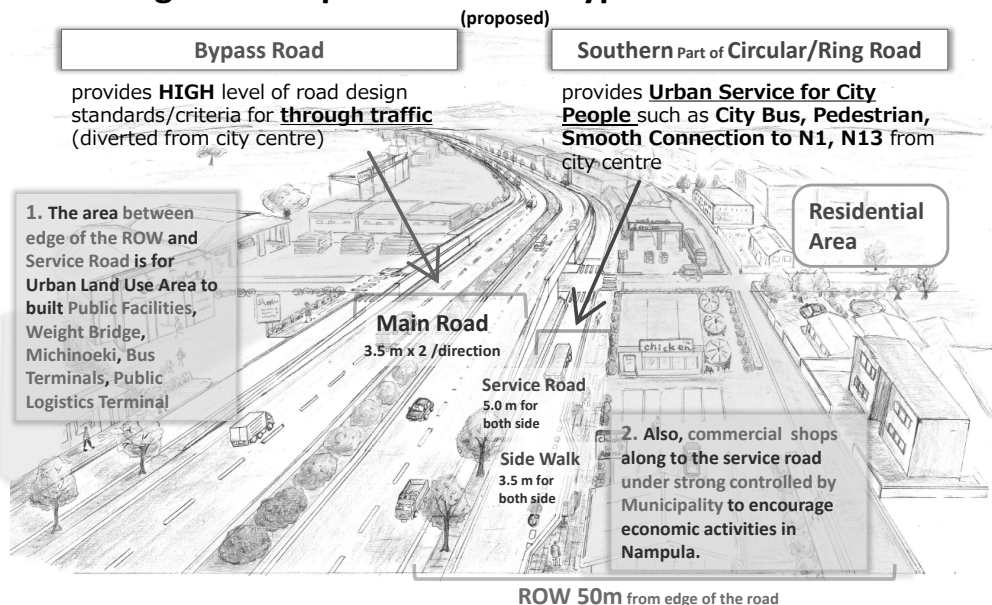
For strengthening of power supply for Nacala Bay Area, it is necessary to supply stable power by implementing a project for generating power within or closer to Nacala Bay Area [1-A-05]. This necessity was supported by the evidence that the heavy flooding which took place in January 2015 damaged the power transmission system from Cahora Bassa to Nacala for many months.

8.3 Projects for Strengthening of a Foundation for Greater Nampula Area

Currently ANE is conducting a Nampula Southern Bypass Road Feasibility Study, with the assistance from JICA. The implementation scheme of the project will be discussed, such as assistance by a donor and contracting out to the private sector.

This road is expected to function as a ring road to reduce through traffic in the city centre, to prevent sprawl in the suburbs, and to promote urban development along it.

Image of Nampula Southern Bypass Road in Future



Source: Preparatory Survey for Nacala Corridor Road Network Improvement Project in the Republic of Mozambique

Figure 8.1 Image of Nampula Southern Bypass Road in Future

The image shows the road and roadside development in the future. Along the roadside, commercial and logistic facilities shall be developed for long-distance tracks and inter-city travellers. Residential areas and administrative facilities can be developed along the road.

It is anticipated that the railway passing through the city centre would divide the city, adversely affecting the safety of the residents, and then poses an obstacle to economic activities in and between the city and areas outside the city. Therefore, a study of a bypass railway that does not enter the city, as proposed in PEDEC-Nacala, is recommended. Development of a terminal handling rail freight from and to the city needs to be examined at the same time. These projects are not included in the current concession agreement so that they should be proposed as government projects. The financing scheme for the project implementation should be examined to determine whether assistance from donors needs to be sought for the project or the project should be incorporated into the current concession agreement and implemented by the concession firm.

8.4 Projects for Functioning of Transport Corridors

For appropriate operation of the transport corridor, railway transport should be operated continuously and safely, and supervised to ensure the other uses of the railway all remain feasible, rejecting its exclusive use for coal shipping.

Although Instituto Nacional dos Transportes Terrestres (INATTER) is officially announced to be a supervisor of the railway, it does not commence its work, because a law which is supposed to offer a legal base to that is not yet enacted. According to a hearing in December 2015, the law will be enacted in 2016. At the time of the establishment of INATTER, CFM dispatched its staffs. But currently those staff members are back with CFA. When INATTER commences the supervisory activities, it is assumed that CFA will send some staffs to INATTER.

In addition to the installation of an inspection car necessary for maintenance and checks of tracks, administrative guidance should be conducted unfailingly for the allocation of 4MTPA freight quotas (Mozambique and Malawi) and the continuation of passenger rail service. Most parts of the railway are planned as single track rail and several double tracks for passing are designed to secure planned density of operation. Hence, it is crucial to instruct the operators regarding safety, such as on confirmation of locations of trains and operation instructions.

Traffic safety of road transport is also an important issue. INATTER is in charge of traffic safety and issuing driver's licences so that the capacity building of INATTER is essential, in terms of regulations on continuous driving hours of long distance truck drivers on international highways, strict enforcement of operation management by truck operators, and driving regulations during poor weather conditions in cooperation with ANE.

9.0 Recommended Japanese Assistance for Promotion and Coordination of Implementation of PEDEC-Nacala Development Strategies

9.1 Request from Government of Mozambique for JICA's Technical Cooperation Project

The Government of Mozambique requested the Government of Japan for JICA's Technical Cooperation Project for capacity development for coordination and promotion for implementation of PEDEC-Nacala. The request was prepared by GAZEDA in August 2016 before GAZEDA was merged into APIEX together with CPI and IPEX.

The outline of the requested project is shown below:

Title of the Project

Project for Capacity Development for Coordination and Promotion for Implementation of Development Strategies for Nacala Corridor Region

Overall Goal

Development projects are implemented for contributing to integrated development covering the Nacala Corridor Region.

Project Purpose

Implementation of integrated development strategies of the Nacala Corridor Region are coordinated and promoted among various sectors and actors.

Outputs

- 1) Coordination capacity of personnel of Technical Implementation Unit and the Working Group for PEDEC-Nacala is enhanced.
- 2) Coordination mechanism for implementation of integrated development strategies of the Nacala Corridor Region is established.
- 3) Financing mechanism for promoting the implementation of development strategies is established.
- 4) Strategies for communicating with stakeholders are implemented.
- 5) Capacity of personnel of GAZEDA to develop IFZ and SEZ is enhanced.

Target Area

Nacala Corridor Region (Nampula, Cabo Delgado, Niassa, Tete and Zambezia Provinces)

Activities

- 1) Coordination capacity of personnel of the Technical Implementation Unit and the Working Group for PEDEC-Nacala is enhanced.
 - 1-1. To develop training programs for personnel of Technical Implementation Unit and the Working Group
 - 1-2. To implement training programs for personnel of the Technical Implementation Unit and the Working Group
 - 1-3. To implement training programs in third countries and in Japan for personnel of the Technical Implementation Unit and the Working Group
- 2) Coordination mechanism for implementation of integrated development strategies of the Nacala Corridor Region is established.
 - 2-1. To establish the Working Group for coordination, promotion and implementation of PEDEC-Nacala Development Strategies
 - 2-2. To monitor and coordinate activities of ministries and agencies by organizing regular meetings of the Working Group
 - 2-3. To organize special purpose meetings with organizations related to promotion and implementation of PEDEC-Nacala Development Strategies.
- 3) Financing mechanism for promoting the implementation of development strategies is established.
 - 3-1. To study potential financial sources for promoting implementation of development strategies
 - 3-2. To prepare proposals of the financial mechanism
- 4) Strategies for communicating with stakeholders are implemented.
 - 4-1. To review and finalize draft communication policy prepared by PEDEC-Nacala Promotion
 - 4-2. To prepare an implementation plan
 - 4.3. To implement communication activities (website, leaflet, TV, etc.)
- 5) Capacity of personnel of GAZEDA to develop IFZ and SEZ is enhanced.
 - 5-1. To develop training programs for personnel of GAZEDA in charge of development of IFZ and SEZ
 - 5-2. To implement the training programs for personnel of GAZEDA in charge of development of IFZ and SEZ
 - 5-3. To design IFZ in Nacala SEZ and implement projects for construction and operation of the IFZ
 - 5-4. To do marketing and sales of IFZ lots

Implementing Agency

- GAZEDA
- Ministry of Economy and Finance

9.2 Recommendations from JICA Project Team on the Requested Technical Cooperation Project

(1) Revision of the project requested by the Government of Mozambique

After the submission of the request for the Technical Cooperation Project mentioned above, the organizational setting for coordination and promotion for implementation of PEDEC-Nacala was changed. GAZEDA was merged into newly created APIEX under Ministry of Industry and Commerce, and, in January 2018, it was officially announced by the Ministerial Decree that the Technical Implementation Unit for PEDEC-Nacala (UTI-PEDEC) would be established within APIEX subordinate to the Ministry of Industry and Commerce. The Ministerial Decree prescribes the establishment of the Inter-Sectoral Committee as an advisory body to UTI-PDEC, which consists of representatives of administrative organizations and private sector.

According to the clarified organizational framework, the JICA Project Team proposes the revision of the project as follows (Revised parts are underlined):

Title of the Project

Project for Capacity Development for Coordination and Promotion for Implementation of Development Strategies for Nacala Corridor Region

Overall Goal

Development projects are implemented for contributing to integrated development covering the Nacala Corridor Region.

Project Purpose

Implementation of integrated development strategies of the Nacala Corridor Region are coordinated and promoted among various sectors and actors.

Outputs

- 1) Coordination capacity of personnel of the Technical Implementation Unit and the Inter-Sectoral Committee for PEDEC-Nacala is enhanced.
- 2) Coordination mechanism for implementation of integrated development strategies of the Nacala Corridor Region is established.
- 3) Possible financing mechanism for promoting the implementation of development strategies is identified.
- 4) Strategies for communicating with stakeholders are implemented.
- 5) Capacity of personnel of APIEX to develop IFZ and SEZ is enhanced.

Target Area

Nacala Corridor Region (Nampula, Cabo Delgado, Niassa, Tete and Zambezia Provinces)

Activities

- 1) Coordination capacity of personnel of the Technical Implementation Unit and the Inter-Sectoral Committee for PEDEC-Nacala is enhanced.
 - 1-1. To develop training programs for personnel of the Technical Implementation Unit and the Inter-Sectoral Committee for PEDEC-Nacala
 - 1-2. To implement training programs for personnel of the Technical Implementation Unit and the Inter-Sectoral Committee for PEDEC-Nacala
 - 1-3. To implement training programs in third countries and in Japan for personnel of the Technical Implementation Unit and the Inter-Sectoral Committee for PEDEC-Nacala
- 2) Coordination mechanism for implementation of integrated development strategies of the Nacala Corridor Region is established.
 - 2-1. To establish the Inter-Sectoral Committee for coordination, promotion and implementation of PEDEC-Nacala Development Strategies
 - 2-2. To monitor and coordinate activities of ministries and agencies by organizing regular meetings of the Inter-Sectoral Committee
 - 2-3. To organize special purpose meetings with organizations related to promotion and implementation of PEDEC-Nacala Development Strategies
- 3) Possible financing mechanism for promoting the implementation of development strategies is identified.
 - 3-1. To study potential financial sources for promoting implementation of development strategies
 - 3-2. To prepare proposals of the financial mechanism
- 4) Strategies for communicating with stakeholders are implemented.
 - 4-1. To review and finalize draft communication policy prepared by PEDEC-Nacala Promotion
 - 4-2. To prepare an implementation plan
 - 4.3. To implement communication activities (website, leaflet, TV, etc.)
- 5) Capacity of personnel of APIEX to develop IFZ and SEZ is enhanced.
 - 5-1. To develop training programs for personnel of APIEX in charge of development of IFZ and SEZ
 - 5-2. To implement the training programs for personnel of APIEX in charge of development of IFZ and SEZ
 - 5-3. To plan and design IFZ in Nacala SEZ

(A part of 5-3 and 5-4 are deleted)

Implementing Agency

- Technical Implementation Unit for PEDEC-Nacala (UTI-PEDEC), APIEX
- Departments of SEZ and IFZ, Directorate of SEZ and IFZ, APIEX
- Ministry of Industry and Commerce

(2) Recommendations on the Technical Cooperation Project

1) Phased Development of UTI-PEDEC

The UTI-PEDEC is a totally new organization, which does not have accumulated past experience in coordination and promotion for regional development, although the experience of the PEDEC-Nacala would be basis for the activities of UTI-PEDEC.

Details of UTI-PEDEC will be determined by the internal regulation, which is to be approved by the Director-General of APIEX according to the Ministerial Decree. As of the middle of February 2018, the organizational structure and scale of the organization has not been decided. Therefore, condition of the project cannot be confirmed and it is difficult to set the clear target of capacity development to be achieved by the project.

It is expected that UTI-PEDEC grows step-by-step, by accumulating experience, expanding its financial and technical capacity, and strengthening the importance of its roles in the development of the Nacala Corridor Region.

After approval of the internal regulation of the UTI-PEDEC and confirmation of the condition of human and financial resources of the organization, it is important to clarify the target of capacity development to be achieved by the project by using the existing resources, in consideration of the future vision of UTI-PEDEC. The project should contribute to the early stage of institutional establishment and development of UTI-PEDEC toward the vision of UTI-PEDEC.

There was an idea of establishment of an organization for coordination and promotion of PEDEC-Nacala, having financial autonomy such as Zambezi Valley Development Agency. However, UTI-PEDEC is not an organization having administrative and financial autonomy. Still, since mobilization of funds is one of important function of UTI-PEDEC, the status of the organization and methods for strengthening fund mobilization should be discussed at a certain stage of development of UTI-PEDEC.

With the current available information, the Project Team proposes that the most important capacity of UTI-PEDEC should be developed in the early stage of its institutional development as follows:

- Coordination in project implementation among the stakeholders through Inter-Sectoral Committee Meetings
- Mobilization of funds for implementation of priority projects by preparing project proposals in coordination with related ministries and local governments
- Communication with stakeholders

2) Financial Mechanism for Promoting the Implementation of Development Strategies

According to the Ministerial Decree on the establishment of UTI-PEDEC, the budget of UTI-PEDEC consists of the budget of APIEX and other sources. In consideration of constraints of government budget, it is important to establish a financial mechanism for the promotion of implementation of PEDEC-Nacala, as mentioned in the outputs of the requested project.

A case of Zambezi Valley Development Agency (ZVDA) would provide ideas on how to bring fund from other sources. However, the status of UTI-PEDEC is different from ZVDA. Before deciding the project output to be included in the project, it is necessary to study the possibility of having additional financial sources for UTI-PEDEC as the case of ZVDA, and confirm the preliminary ideas of the financial mechanism.

If the output is included in the project, the project can cover the study to identify the possible financial mechanism. However, it would be difficult to establish the financial mechanism within the project, in consideration of the project period.

3) Importance of the Capacity Development for Development of SEZ and IFZ

IFZ development

Department of IFZ of APIEX (Department of former GAZEDA) is responsible for the development of IFZ. However, the staff of former GAZEDA does not have experience of planning and construction of IFZ. Planning and designing of IFZ under Output 4 of the proposed project would be the first experience of the staff of APIEX. Limitation of human resource will be also an issue to carry out the activities in the project. Therefore, substantial technical support will be required to achieve this output.

Development of IFZ is one of most important role of future APIEX. Existing staff should gain experience and obtain skills through the project. In addition, how to strengthen the capacity of department by utilizing the existing human resources and recruiting new staff should be discussed in the project.

The project covers planning and designing of IFZ for actual IFZ development, and necessary classroom training and on-the-job training should be provided. However, it would be difficult to cover construction and operation of IFZ and marketing within the project.

Industrial Belt Area Development Project in SEZ

In Mozambique, system of SEZ is well established including laws and incentives. Two new SEZ were established in recent years and the responsible department of APIEX (former GAZEDA) is conducting works related to SEZ smoothly. However, it is found that only providing incentive is not enough to attract investors to establish business in SEZ. What it is necessary to improve is to provide supportive environment for investors to obtain land use rights (DUAT) and to construct access roads and utilities. The Industrial Belt Area Development Project proposed in PEDEC-Nacala provides such environment along the existing roads. Capacity development for planning and designing of such project in SEZ to provide preferable environment for investors are also important.

10.0 | **Way Forward**

10.1 Road Map for UTI-PEDEC

In order to implement projects based on PEDEC-Nacala Development Strategies, it is necessary to continue activities step by step.

The very first step is to set up the basic implementation structure of PEDEC-Nacala Development Strategies, which consists of 1) establishment of UTI-PEDEC, 2) nomination of members of UTI-PEDEC, and 3) establishment of Inter-Sectoral Committee for PEDEC-Nacala. This step is already underway by the government of Mozambique.

After the first step, various activities need to be implemented by the newly established UTI-PEDEC. Here, the JICA Project Team proposes what UTI-PEDEC should do in order to promote and coordinate for implementation of PEDEC-Nacala Development Strategies.

Step 1

As it is mentioned in the previous chapter, it is expected that the capacity development project of UTI-PEDEC, supported by JICA, would be implemented. However, it is assumed that there would be certain period before the project would start. UTI-PEDEC should not wait for the new project and it should start some initial activities right after its actual establishment. What UTI-PEDEC needs to do is as follows.

- Holding of an Inter-Sectoral Committee Meeting for kick-off of implementation stage of PEDEC-Nacala Development Strategies
- Holding of a Coordination Meeting with development partners for promoting the implementation of PEDEC-Nacala Development Strategies
- Reviewing of 48 very high priority projects of PEDEC-Nacala Development Strategies and the Essential Projects selected by the JICA Project Team and deciding the Essential Projects

Step 2

After the new capacity development project starts, UTI-PEDEC needs to implement the following activities, which are expected to be implemented before TICAD 7 (mid 2019).

- Identifying the First Group of Essential Projects for implementation and approaching to development partners for implementation
- Getting commitments of development partners to implementation of at least three essential projects

Step 3

By utilizing the opportunity of TICAD 7, UTI-PEDEC should expand its activities in relation to surrounding countries by doing the following activities.

- Re-establishing a secretariat for the coordination and collaboration among three countries (Zambia, Malawi and Mozambique) for Nacala Corridor development
- Holding the first coordinating meeting among three countries for promoting Nacala Corridor Development.

The road map was discussed in the first Inter-Sectoral Committee Meeting and accepted by the participants.

10.2 Recommendation on Tasks of UTI-PEDEC

The JICA Project Team proposes the tasks and activities to be carried out by UTI-PEDEC in accordance with Ministerial Decree on establishment of UTI-PEDEC as follows. The proposed implementation timing (frequency) of these activities is shown in Figure 10.1. This set of tasks and timing could be an important basis for preparing a annual budget proposal.

1) Update of PEDEC-Nacala Development Strategies

PEDEC-Nacala Development Strategies should be revised every ten years by UTI-PEDEC in coordination with stakeholders. The following works should be conducted to update the PEDEC-Nacala Development Strategies:

- Evaluation of the progress of implementation of PEDEC-Nacala
- Implementation of studies to update data and information on the development of Nacala Corridor Region
- Formulation of development strategies and policies for the Nacala Corridor Region for the next ten years

2) Preparation of Annual Activity Plans and Budgets for UTI-PEDEC and Reporting of Conducted Activities

UTI-PEDEC prepares annual activity plans and budgets for the next fiscal year. The draft plans and budgets should be discussed and agreed by the Inter-Sectoral Committee before official submission and getting approval of the Director-General of APIEX.

UTI-PEDEC prepares reports on conducted activities by the end of fiscal year and submits it to the Director-General of APIEX. The information on the conducted activities should be shared at a regular meeting of the Inter-Sectoral Committee at the end of a fiscal year.

3) Monitoring of the Progress of Development of the Nacala Corridor Region

UTI-PEDEC conducts assessment on the progress of development of the Nacala Corridor Region, by analysing the socio-economic data and information every year.

4) Organization of Inter-Sectoral Committee Meetings

UTI-PEDEC prepares for and organizes the Inter-Sectoral Committee meetings. The objectives of the meetings are to monitor and coordinate the implementation PEDEC-Nacala Development Strategies among stakeholders and to take measures to promote project implementation.

It is recommended to organize the Inter-Sectoral Committee meetings every three months. In addition to ordinary meetings to be held every six months, additional meetings should be held at least twice a year. Representatives from provincial and district governments should attend the ordinary meetings every six months.

Tasks of UTI-PEDEC for organization of the meetings include the following:

- Preparation of agenda
- Coordination with members and invitation to meetings
- Organization of meetings
- Preparation of minutes of meetings

5) Monitoring of the Implementation of PEDEC-Nacala Development Strategies

UTI-PEDEC monitors the progress of implementation of PEDEC-Nacala Development Strategies by collecting and updating the following information from related government organizations.

- Status of projects and programmes of government organizations at the central and local levels
- Private sector investments in the Nacala Corridor Region

6) Monitoring of Projects of Private Sector in the Nacala Corridor Region

UTI-PEDEC collects information from private companies /associations to grasp the status of private sector projects in the Nacala Corridor Region.

7) Technical Assistance to Local Governments

The UTI-PEDEC provides technical assistance to provincial and district governments for formulation of development strategies and spatial plans, in line with the PEDEC-Nacala Development Strategies and in coordination with other planned/on-going projects and programmes in the Nacala Corridor Region.

In order to provide the technical assistance to local governments, the UTI-PEDEC shall visit each province at least once a year.

8) Promotion of Implementation of Priority Projects

Promotion of implementation of priority projects is the most important aim of the activities of UTI-PEDEC. UTI-PEDEC identifies the most important projects among high priority project, for which fund need to be found. UTI-PEDEC prepares project proposals in coordination with related organizations and negotiates with development partners to realize the projects.

9) Promotion of Private Sector Investment

UTI-PEDEC collaborates with departments of APIEX and related ministries in charge of the promotion of private sector investment. UTI-PEDEC provides information on the progress of Nacala Corridor development and planned/on-going projects which attract private sector investment.

10) Establishment and Financial Mechanism for Promotion and Coordination for Implementation of PEDEC-Nacala

It is important for UTI-PEDEC to secure financial resources to conduct activities for coordination and promotion for implementation of PEDEC-Nacala Development Strategies. UTI-PEDEC should implement studies to identify possible financial mechanism and prepares proposals on the identified financial mechanisms.

In the future, management of the financial mechanism will be an important activity of UTI-PEDEC.

11) Site Visits to Observe the Progress of Development of Nacala Corridor Region

UTI-PEDEC should visit provinces and major project sites in the Nacala Corridor Region at least once a year to grasp the development progress of the Nacala Corridor Region.

12) Communication Activities

UTI-PEDEC should conduct communication activities aiming at sharing information on the PEDEC-Nacala Development Strategies and its implementation with stakeholders effectively.

UTI-PEDEC finalizes the communication policy, prepares implementation plans, develops communication tools and conduct of communication activities (website, leaflet, TV, etc.).

Task of UTI-PEDEC	1st Year												2nd Year			Remarks	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		
1 Update of PEDEC-Nacala Development Strategies (every 10 years)																	
2 Preparation of annual activity plan and budget for UTI-PEDEC and reporting of the conducted activities				Draft Plan/Budget							Annual Report						
3 Monitoring of the progress of development of the Nacala Corridor Region by analyzing socio-economic data and information											Analysis / Report						
4 Preparation for and organization of meetings of Inter-Sectoral Committee (Working Group)	Preparation	Organization/Report		Preparation	Organization/Report		Preparation	Organization/Report		Preparation	Organization/Report		Preparation	Organization/Report			
5 Monitoring of the implementation of PEDEC-Nacala Development Strategies (Information collection from government organizations)		information collecto			information collecto			information collecto			information collecto			information collecto			
6 Monitoring of projects of private sector in the Nacala Corridor Region				information collecto							information collecto						
7 Technical assistance to local governments (Provinces, Districts)						Local level meeting				Local level meeting							visit provinces at least 2 times/year
8 Promotion of implementation of priority projects																	to be carried out throughout the year
9 Promotion of private sector investment																	to be carried out throughout the year
10 Establishment of financial mechanism for promotion and coordination for implementation of PEDEC-Nacala																	Study / Preparation of proposals
11 Site visits to observe the progress of development of Nacala Corridor Region						Site visits				Site visits							
12 Communication activities																	
Inter-Sectoral Committee Meetings		Ordinary Meeting										Ordinary Meeting		Ordinary Meeting			

Ordinary Meeting Extraordinary meeting

Figure 10.1 Activities of UTI-PEDEC (Proposed)

Appendices

1. Resolution No.44/2016 of 30 December,
- Cabinet Approval of PEDEC-Nacala
Development Strategies (1st page of
Supplement 23 of 30/12/2016, BR No
156, Bulletin of the Republic, I Series)



BOLETIM DA REPÚBLICA

PUBLICAÇÃO OFICIAL DA REPÚBLICA DE MOÇAMBIQUE

23.º SUPLEMENTO

IMPRESA NACIONAL DE MOÇAMBIQUE, E.P.

Sumário Executivo

AVISO

A matéria a publicar no «Boletim da República» deve ser remetida em cópia devidamente autenticada, uma por cada assunto, dando conta, além das indicações necessárias para esse efeito, o avertimento seguinte, assinado e autenticado: Para publicação no «Boletim da República».

SUMÁRIO

Conselho de Ministros:

Resolução n.º 44/2016:

Aprova a Estratégia de Desenvolvimento Económico do Corredor de Nacala, também designado por PEDEC.

CONSELHO DE MINISTROS

Resolução n.º 44/2016

de 30 de Dezembro

Considerando a relevância que revestem os projectos e programas propostos pelo Projecto da Estratégia de Desenvolvimento Económico do Corredor de Nacala, no contexto actual de desenvolvimento da economia nacional, para a transformação do Corredor de Nacala num pólo de desenvolvimento regional, ao abrigo do disposto na alínea f) do n.º 1 do artigo 204 da Constituição da República, o Conselho de Ministros determina:

Artigo 1.º É aprovada a Estratégia de Desenvolvimento Económico do Corredor de Nacala, também designado por PEDEC-Nacala, em anexo, que é parte integrante da presente Resolução.

Art. 2.º Compete ao Ministro que superintende a área da Indústria e Comércio coordenar as acções necessárias no quadro da implementação efectiva da presente Estratégia.

Aprovada pelo Conselho de Ministros, aos 29 de Novembro de 2016.

Publique-se.

O Primeiro-Ministro, Carlos Agostinho do Rosário.

1. Introdução

1.1 Antecedentes Históricos do Corredor de Nacala

O Corredor de Nacala foi um importante corredor internacional de transporte constituído pelo Porto de Nacala, pela Linha Férrea do Norte e pelo Sistema Ferroviário de Malawi. Embora na Região do Corredor de Nacala existam vários recursos naturais e potenciais de desenvolvimento, devido as precárias condições das estradas e das ferrovias tem sido difícil utilizá-los para o desenvolvimento económico, especialmente nas vastas áreas do interior.

No final da década de 2000, o Corredor de Nacala começou a atrair a atenção e foram iniciados projectos de melhoria das estradas que ligam as zonas do interior aos portos marítimos, bem como projectos para o Porto de Nacala. Em 2007, a primeira ZEE de Moçambique foi criada na Cidade de Nacala e no Distrito de Nacala-à-Velha. Os investimentos privados nos sectores agrícola e de plantação florestal também têm estado a aumentar nas Províncias de Nampula, de Niassa e da Zambézia.

Os projectos de exploração do carvão em grande escala na Província de Tete igualmente tornaram-se num factor desencadeador do desenvolvimento de uma das rotas mais promissoras, nomeadamente, o Corredor de Nacala, que liga Moatize na Província de Tete ao Porto de Nacala passando por Malawi. O transporte do carvão por via do Corredor de Nacala requer a melhoria das linhas férreas do Corredor, bem como a construção de novos troços ferroviários. Espera-se que a mineração e a exportação do carvão de Tete revitalizem o Sistema Ferroviário do Norte de modo a transportar não somente o carvão mas também a carga geral e contentores, o que é considerado um factor muito importante para a criação de oportunidades e potenciais de desenvolvimento com vista ao início e à promoção do desenvolvimento regional. Mais ainda, a nova Linha Férrea do Norte transformar-se-á numa oportunidade para o trânsito de cargas procedentes de/para a Malawi e Zâmbia, os países vizinhos do interior.

Em 2009 foram descobertas enormes reservas de gás natural no largo da bacia do Rovuma no norte de Moçambique. As reservas recuperáveis das Áreas 1 e 4 são estimadas em 75 triliões de pés cúbicos (Tcf) no total. Estes factos podem proporcionar à Região do Corredor de Nacala as oportunidades de aquisição de uma nova fonte de energia bem como geração de novas indústrias químicas, tais como as indústrias de GTL (Gás para Líquido), amónio e metanol, o que resultaria na ampliação da base industrial da Região.

2. Ministerial Decree for Establishment of UTI-PEDEC



REPÚBLICA DE MOÇAMBIQUE

MINISTÉRIO DA INDÚSTRIA E COMÉRCIO

Díploma Ministerial.n.º /2018

de ___ de

Havendo necessidade de estabelecimento de um mecanismo integrado de apoio e facilitação de acções no âmbito da implementação da Estratégia de Desenvolvimento Económico do Corredor de Nacala, no uso das competências conferidas pelo disposto no artigo 2 da Resolução nº44/2016, de 30 de Dezembro, determino:

Artigo 1
(Criação)

É criada a *Unidade Técnica de Implementação da Estratégia de Desenvolvimento Económico do Corredor de Nacala*, abreviadamente designada UTI- PEDEC.

Artigo 2
(Natureza e Sede)

1. A UTI – PEDEC é um órgão técnico de execução corrente da Estratégia de Desenvolvimento Económico do Corredor de Nacala que assegura a planificação integrada, assistência na operacionalização, articulação intersectorial e o acompanhamento da execução dos projectos e programas de desenvolvimento da região do Corredor de Nacala.
2. A UTI-PEDEC subordina-se ao Ministro que superintende a área da Indústria e Comércio e funcionalmente à Agência para a Promoção de Investimento e Exportações (APIEX).
3. A UTI-PEDEC tem a sua sede na Cidade de Maputo.

Artigo 3 (Funções)

São funções da UTI – PEDEC:

- a) Coordenar o processo de implementação efectiva dos projectos e programas previstos no âmbito da Estratégia de Desenvolvimento Económico do Corredor de Nacala;
- b) Prestar assistência técnica na definição das linhas estratégicas e das políticas gerais relacionadas com o desenvolvimento do Corredor de Nacala;
- c) Garantir a articulação inter-sectorial com vista à criação de condições necessárias para a implementação de projectos públicos e privados e iniciativas de desenvolvimento do Corredor de Nacala;
- d) Prestar assistência técnica às iniciativas de desenvolvimento económico e social do Corredor de Nacala, incluindo a mobilização de recursos financeiros e materiais;
- e) Facilitar as actividades dos órgãos locais e dos parceiros de desenvolvimento nas áreas de inovação tecnológica, facilitação do comércio, desenvolvimento agrário, de mercados e de infra-estruturas;
- f) Promover as potencialidades económicas do Corredor de Nacala com vista à atracção e fomento de investimentos;
- g) Prestar assistência aos Governos Locais nas componentes de planeamento e ordenamento territorial e de desenvolvimento sócio-económico local;
- h) Monitorar a implementação dos projectos e programas previstos no âmbito da Estratégia de Desenvolvimento Económico do Corredor de Nacala; e
- i) Exercer as demais funções que se mostrem necessárias à concretização dos seus objectivos.

Artigo 4 (Órgãos)

São órgãos da UTI- PEDEC:

- a) Coordenador;
- b) Comité Intersectorial.

Artigo 5 (Coordenador)

1. A UTI- PEDEC é dirigida por um Coordenador indicado pelo Director - Geral da APIEX.
2. Compete ao Director-Geral da APIEX a indicação de técnicos a integrar na UTI-PEDEC.

Artigo 6
(Competências do Coordenador)

Compete ao Coordenador da UTI- PEDEC:

- a) Dirigir e orientar os processos de planificação, gestão e controlo da execução das actividades da UTI-PEDEC;
- b) Estabelecer e consolidar mecanismos de coordenação e articulação com os diferentes organismos e sectores intervenientes no âmbito da implementação do PEDEC-Nacala;
- c) Preparar os planos de actividades e orçamento para funcionamento da UTI-PEDEC e submetê-los à aprovação do Director-Geral da APIEX;
- d) Elaborar e apresentar os relatórios de actividades da UTI-PEDEC, obedecendo as directrizes e normas aplicáveis;
- e) Mobilizar os recursos financeiros necessários para o funcionamento da UTI-PEDEC;
- f) Preparar a documentação para apreciação pelo Comité Intersectorial, bem como o registo e implementação das decisões tomadas nas sessões de trabalho desse órgão;
- g) Exercer as demais competências necessárias ao efectivo funcionamento da UTI-PEDEC.

Artigo 7
(Comité Intersectorial)

O Comité Intersectorial é o órgão de consulta da UTI-PEDEC que tem por função analisar o progresso da implementação dos projectos e programas do PEDEC-Nacala e recomendar a adopção de medidas que concorram para o desenvolvimento do Corredor de Nacala, em conformidade com a Estratégia de Desenvolvimento Económico do Corredor de Nacala.

Artigo 8
(Funções do Comité Intersectorial)

São funções do Comité intersectorial:

- a) Coordenar, supervisionar e monitorar a execução dos programas e projectos do PEDEC-Nacala;
- b) Recomendar a adopção de medidas e acções estratégicas orientadas ao desenvolvimento do Corredor de Nacala, em conformidade com o PEDEC-Nacala;
- c) Avaliar e promover a harmonização entre o PEDEC-Nacala e outras iniciativas públicas no âmbito de desenvolvimento do Corredor de Nacala;
- d) Pronunciar-se sobre os planos de actividades da UTI-PEDEC e assegurar a sua monitoria e avaliação;
- e) Analisar e pronunciar-se sobre outros assuntos relacionados com o âmbito das actividades e funcionamento da UTI-PEDEC.

Artigo 9
(Composição e Funcionamento)

1. O Comité Intersectorial tem a seguinte composição:
 - a) Coordenador da UTI-PEDEC;
 - b) Um representante do Ministério da Indústria e Comércio;
 - c) Um representante do Ministério da Economia e Finanças;
 - d) Um representante do Ministério das Obras Públicas, Habitação e Recursos Hídricos;
 - e) Um representante do Ministério da Agricultura e Segurança Alimentar;
 - f) Um representante do Ministério dos Recursos Minerais e Energia;
 - g) Um representante do Ministério dos Transportes e Comunicações;
 - h) Um representante do Ministério do Trabalho, Emprego e Segurança Social;
 - i) Um representante do Ministério da Terra, Ambiente e Desenvolvimento Rural;
 - j) Um representante do Ministério da Cultura e Turismo;
 - k) Um representante do Governo da Província nas áreas de intervenção do PEDEC-Nacala;
 - l) Um representante do sector privado.
2. O Comité Intersectorial é dirigido pelo Director-Geral da APIEX e reúne semestralmente em sessão ordinária e, extraordinariamente, sempre que convocado.
3. Podem ser convidados a participar nas sessões do Comité Intersectorial, em razão da matéria, representantes de outros organismos públicos e privados.

Artigo 10
(Orçamento)

O orçamento da UTI-PEDEC é constituído pelos fundos disponibilizados pela APIEX e outras fontes.


Artigo 11
(Regulamento Interno)

Compete ao Director-Geral da APIEX aprovar o Regulamento Interno da UTI-PEDEC no prazo de sessenta dias contados a partir da data da publicação do presente Diploma Ministerial.

Artigo 12
(Entrada em vigor)

O presente Diploma Ministerial entra em vigor a partir da data da sua publicação.

O Ministro


Regenda Berta de Sousa