

CHAPTER 1 INTRODUCTION

1.1. Background and Objectives of the Study

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The tropical savannah area in northern Mozambique is considered to have large potential for agricultural production due to adequate rainfall and vast arable land. However, in this area, many agricultural lands are not yet developed and small-scale farmers apply traditional and extensive agricultural techniques so the productivities of self-consuming crops and commercial crops are low. Even for middle or large-scale farmers, the applied agricultural technologies are limited and their productivity is not very high. Therefore, enhancement of the agricultural areas by introducing proper agricultural techniques and investment will significantly increase productivity and the produced amount.

Based on the background mentioned above, the basic framework for the Program on Triangular Cooperation for Tropical Savannah Agricultural Development in Mozambique (ProSAVANA-JBM) was signed by Japan International Cooperation Agency (JICA, Japanese Government), Brazilian Cooperation Agency (ABC of Brazilian Government) and the Ministry of Agriculture (MINAG of the Mozambican Government) in September 2009 and targeted poverty mitigation among small-scale farmers, food security, and agricultural development in the tropical savannah through the effective application of private investment.

Based on the framework, the Preparatory Study on Triangular Cooperation Program started at the same time. As a result of the preparatory study three technical cooperation programs, 1) Project for Improving Research and Technology Transfer Capacity for Nacala Corridor Agriculture Development, 2) Support of Agriculture Development Master Plan for the Nacala Corridor, and 3) Project for Improvement of Agricultural Extension, were proposed.

Based on the Minutes of Meeting on ProSAVANA signed on 26th April 2011, the mission of JICA, ABC and MINAG jointly visited the Study Area of the second program of “Support of Agriculture Development Master Plan in Nacala Corridor” (hereinafter referred to as the Study) and discussed the scope of work for the Study. As a result, three parties signed the Minutes of Meeting on 28th July 2011. This Minutes of Meeting was approved at the first Joint Coordination Committee (JCC) held on 29th August 2011. In addition, the Triangular Agreement, Record Discussion and Supplementary Agreement were signed on 24th November and 2nd December 2011.

Based on these agreements, JICA dispatched a Japanese Study Team led by Mr. Keiji Matsumoto of Oriental Consultants from 3rd March 2012 and ABC dispatched the Brazilian Study Team led by Mr. Giuliano Senatore FGV PROJETOS from 15th July 2012.

1.1.2. Objectives of the Study

Goal of the Proposed Plan is “to promote economic and social development through agricultural development in the Nacala Corridor”.

Objective of the Study is “to formulate an Agricultural Development Master Plan that contributes to social and economic development by engaging private investment to promote a sustainable production system and poverty reduction in the Nacala Corridor”.

1.2. Study Area

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The Study covers the Nacala Corridor area in the north part of Mozambique. Based on the request of the Mozambique side, the following 14 districts were selected as the Study Area.

Province of Nampula: Malema, Ribáuè, Murrupula, Nampula, Meconta, Mogovolas, Muecate and Monapo

Province of Niassa: Lichinga, Ngauma, Mandimba and Cuamba,

Province of Zambezia: Gurue and Alto Molocue.

The total area of the Study Area is 65,907 km² and the population is 2,562,413 (Population Census 2007).

1.2.2. Recent Development of the Nacala Corridor

The Southern African Development Community (SADC) has adopted a Spatial Development Initiative (SDI) program to provide an impetus to economic integration among member states. The backbone of an SDI is usually a regional development corridor such as the Nacala Development Corridor (NDC) linking Zambia, Malawi and the northern provinces of Mozambique. In February 2003, the Investors' Conference Nacala was held with participants from Mozambique, Malawi and Zambia.

Recently, rapid infrastructure development works have been started in the Nacala Corridor area in Mozambique. They are as follows

- Establishment of the Nacala Special Economic Zone under the management of the Office for Economic Zones of Accelerated Development (GAZEDA)

- Improvement works of National Road No.13 between Nampula and Cuamba (348 km) started 2011 and expected to be completed in February 2015, and design of National Road No. 13 between Cuamba and Lichinga (310 km) is completed and waiting for early implementation
- Construction of Nacala Airport expected to be completed in 2013

1.3. Period and Scope of the Study

The Study is being implemented from the beginning of March 2012 to the end of August 2013 for eighteen months. The scope of the study is summarized as follows.

Table 1.3.1 Scope of the Study

Outputs	Major Activities	Submission of Report
<p>【Output 1】 Data collection and information analysis</p>	<p>1-1 Analysis of the current invest environment in the agricultural sector in Mozambique (legislation and framework on labor, land tenure, environmental regulation and taxes)</p> <p>1-2 Review of socioeconomic census, existing overall economic development plans and agricultural development plans for Nacala Corridor</p> <ul style="list-style-type: none"> • <u>Supporting the stakeholder meeting</u> <p>1-3 Study on social, gender and environment aspects</p> <p>1-4 Information gathering for functions and interventions of the governments, NGOs, donors and private sector (including financing institutions) for agricultural development</p> <p>1-5 Zoning of Nacala Corridor area based on the agricultural environment</p> <p>1-6 Study on current agricultural value chains and overall infrastructures in Nacala Corridor</p> <p>1-7 Survey on current situation of land use in Nacala Corridor</p>	<p>Middle of August 2012 <u>Interim Report (1)</u></p>
<p>【Output 2】 Drawing of an Overall Picture</p>	<p>2-1 Drawing an overall plan (blueprint) of agricultural development in Nacala Corridor</p> <ul style="list-style-type: none"> • <u>Supporting the 2nd stakeholder meeting</u> 	<p>End of November 2012</p>
<p>【Output 3】 Quick Impact Projects (QIPs) planning</p>	<p>3-1 Characterization of selected areas which have agricultural development potential based on basic survey</p> <p>3-2 Formulation of QIPs and expected immediate effects for target areas</p> <p>3-3 Prioritization of QIPs</p> <p>3-4 Attract investors for the implementation of prioritized QIPs</p>	<p>Middle of February 2013</p>
<p>【Output 4】 Engagement stimulation of stakeholders focusing on investment promotion</p>	<ul style="list-style-type: none"> • <u>Environmental impact assessment for the development projects. Supporting the formulation of resettlement plan if required for QIPs</u> • <u>Supporting the 3rd stakeholder meeting</u> <p>4-1 Elaboration and presentation of Data Book to private investors</p> <p>4-2 Holding seminars and workshops for stakeholders</p>	<p>Middle of June 2013</p>
<p>Preparation of draft final report and Investment data book</p>	<p>Finalization of Agricultural Development Master Plan for the Nacala Corridor</p>	
<p>Preparation of final report</p>	<p>Preparation of Final Master Plan Report and Data Book for Investor</p>	<p>Mid-August 2013</p>

Note: Underlined activities are additional scope of study for JICA Study Team.

1.4. Study Team and Counterparts

The Study is conducted through triangular cooperation among the study teams of Japan (JICA), Brazil (FGV), and Mozambican counterparts of the Ministry of Agriculture (MINAG), Provincial Directorate of Agriculture of Nampula, Niassa and Zambezia

Members of the Counterparts and study teams are shown in Appendix - 3