

CHAPTER 5 Further Study

5.1. Output 2: Drawing of an Overall Picture (August to November 2012)

5.1.1. Drawing an Overall Plan (Draft Master Plan) of Agricultural Development in the Nacala Corridor

Based on the analysis of collected information and data in the Study Area described in the previous Chapters, the draft Master Plan on agricultural development in the Nacala Corridor, which is also conducive to socio-economic growth, will be formulated. The Master Plan is addressed to promote a sustainable agricultural development system by private investment and to contribute poverty alleviation. The expected procedure for formulation of the draft Master Plan is as follows.

(1) Study of the Agricultural Development Potential in the Nacala Corridor

The preliminary integrated zoning was developed based on the analysis of natural and social conditions as described in the previous Chapters. The examination of the integrated zoning will be continued with further considerations of additional data and information. The potential to archive the direction of development in each zone shall be analyzed based on the results of collection and analysis of basic information and inventory surveys. The analysis shall be carried out from multilateral standpoints. The analyzed development potentials are summarized for each subsector to compare with constraints examined.

(2) Analysis of Constraints of Agricultural Development

The constraints disturbing development in each subsector will be examined each zone. In particular, subsectors that are not well developed but have potential will be focused in the analysis and causes of disturbing the potential use and their background will be clarified.

The identified constraints for agricultural development in each zone or each subsector shall be summarized together with the potential for agricultural development. The results will be used for the formulation of the Master Plan.

(3) Formulation of Activities for Agricultural Development

The agricultural development potential of each zone will be reviewed based on the direction of development in each zone. Then, the measures will be examined in order to remove the constraints of subsectors effectively and efficiently and to develop the potential. Firstly activities of countermeasures will be formulated. Then main actors and beneficiaries of the formulated activities shall also be clarified.

These processes will be carried out for each zone, and activities in each zone will be tabulated.

(4) Development Goal of Master Plan and its Target Year

The development goal of the Master Plan will be decided based on the analysis of the current situation of agricultural products in the Nacala Corridor, potential and constraints of the agricultural development in each zone. The object of development in each zone will be set and the development goal of the Master Plan on agriculture development in the Nacala Corridor will be established.

The target year of the Master Plan shall be ensured the consistency with the target year of PEDSA is 2019. However, about 15 years with 1) short term, 2) middle term and 3) long term is required for agricultural development in the Nacala Corridor area after considering system development, construction of basic infrastructure, improvement of agricultural productivity, and a stable supply of agricultural products/processing products for the international market. Therefore, the target year is currently expected to be 2030

(5) Formulation of Activities for Agricultural Development

The agricultural development potential of each zone will be reviewed based on the direction of development in each zone. Then, the measures will be examined in order to remove the constraints of subsectors effectively and efficiently and to develop the potential. Firstly activities for countermeasures will be formulated. Then main actors and beneficiaries of the formulated activities shall also be clarified. These processes will be carried out for each zone, and activities in each zone will be tabulated.

(6) Grouping of Proposed Activities for the Smooth Implementation

The identified activities in each zone will be categorized according to the main actors and beneficiaries. The combinations of proposed activities will be studied to generate a direct effect conducive to achieving the development goal by zone. As the result of this study, the project could be formulated focusing on its implementation. The project should be formulated to ensure increasing the value of agricultural products through a combined activities and establishment of a system to promote cooperation between private investment and small-scale farmers, as aforementioned in the technical approach section.

The formulated projects are also classified into short-term, middle-term and long-term projects according to their target year. For each project, activities, operation plan, budget, implementation structure and expected financing source, etc. will be determined. By gathering the projects, the agricultural development plan by

zone will be prepared. In addition, the development plan by zone will consist of projects crossing over the administration boundary, which may have several relations with Central Ministries in Mozambique, institutions in provincial or district governments, private companies and NGOs, etc. Therefore, establishing a new organization to monitor project implementation shall be considered.

(7) Evaluation of the Project and Formulation of Master Plan

All of the agricultural development plans shall be integrated as the Master Plan of Agricultural Development in the Nacala Corridor. Among the plans in the zone, similar projects will be organized and the projects will be integrated into one as a “cross-zone project,” which may be done more efficiently if implemented in several zones or all areas at the same time.

The draft Agricultural Master Plan will be formulated with several recommendations for project implementation. These recommendations include improving the investment environment in the agricultural sector in Mozambique, improving the system for agricultural development, improving the system for farmers’ organizations including rural financing, and a recommendation to archive the 7 principles of Responsible Agriculture Investment (RAI). Moreover, the development projects and the studies like will be considered in the draft Master Plan formation.

The project evaluation of formulated projects in each zone and cross-zone projects will be conducted and some revisions will be done if necessary. The projects will be evaluated with DAC 5 evaluation criteria (relevance, effectiveness, impacts, efficiency and sustainability). If the project is economically self-sustaining, an economic analysis will be calculated. Based on the respective evaluation of the projects, the draft Master Plan will be evaluated totally. The necessary revisions will be done on the projects, if required, and implementation plans of the projects (activities, schedule, budget, implementation structure, expected financing source) will be summarized. Finally, the draft of the Master Plan of Agriculture Development in the Nacala Corridor will be formulated.

(8) Supporting the 2nd Stakeholder Meeting

The second stakeholder meeting will be organized by the MINAG with support of the Study Team. The formulated draft Master Plan shall be explained and the opinions from participants will be collected. The presentation should be conducted by the Mozambique Counterpart as a part of OJT for technical transfer under the Study Team’s support. The second meeting will be held at Maputo in order to call on a wide range of participants, like investors for the agricultural sector in Nacala Corridor or private companies interested in investment in addition to the attendees of the first stakeholder meeting in the Nacala Corridor. The number of expected participants is

80. The invitees will be decided after discussion with the MINAG. And the Study Team

In order to inform implementation and output of the Study in public and to promote private investment, PR will be done for the second stakeholder meeting. Presently, the mass media, like newspapers, are expected to be invited to the meeting. Details will be discussed with the MINAG and the Study Team. Similar PR activities will be done for the third meeting.

(9) Preparation and Submission of Interim Report (II)

The draft Master Plan and discussion results in the second stakeholder meeting will be submitted as Interim Report II: Data Collection and Analysis of Agriculture in Nacala Corridor and Drawing of an Overall Picture of Development Plan (in November 2012)

The report will be prepared in English, and translated into Portuguese tentatively for discussion with related institutes in Mozambique. The progress of the Study shall be shared among them and the discussion results will be reported in the minutes of the meeting.

5.2. Output 3: Quick Impact Projects (QIPs) Planning (November 2012 to February 2013)

5.2.1. Formulation of Quick Impact Projects for Target Areas

(1) Selection of Priority Projects

The QIPs which can achieve the rapid impacts in short period will be selected among the zone-wise priority projects to be implemented early stage of the Master Plan.

The selection criteria for priority projects shall be formulated under the due consideration of 1) direct impacts to the direction of zone-wise development direction and regional economic development, 2) synergetic effects for small, medium farmers and large scale commercial farm, 3) implementation capacity of the MINAG, 4) environmental and social impacts, together with 5) needs and expectation of private investors and MINAG..

Selected priority projects shall be confirmed based on the pre-feasibility level analysis on components of activities, implementation schedule, investment costs/benefits, possible financial resources, etc.

(2) Selection of QIPs

The detailed criteria of QIPs, especially the relationship between scale of preparatory work and selection, will be decided with the MINAG and Brazilian experts based on discussions with private companies. The preference order of the selected QIPs will be studied according to expected financial resources. The expected financial resources are shown on the right.

Table 5.2.1 Criteria for Prioritization of QIPs (draft)

Expected finding resources	Criteria (draft)
Middle and Large Scale	Investment Risk High profitability for investment
Small Farmers	Investment Risk Lower of initial cost
Government Donor and NGO	Number of beneficiaries Economic impact for other area Spared effect

(3) Formulation of Implementation Plan of QIPs

Implementation plans for the selected QIPs will be formulated upon reviewing activities, budget, implementation structure, expected financial resources for priority project, which are canalized above. The enticement plan will be recommended for the private investment projects based on discussion with the private companies. Operable enticement plans should only be recommended after careful discussion with the related institutions of the Government of Mozambique.

5.2.2. Prioritization of Quick Impact Projects

(1) Business Model Analysis and Evaluation of Priority Projects Including QIPs

A business model analysis and evaluation will be applied for the QIPs selected. In the analysis and evaluation, profitability of the business model and balance in farming will be calculated. In addition, surrounding conditions of the business as legal framework, access to labor force and access to input material, etc. will be clarified. In total, the effectiveness of the business model will be verified. Examining the characteristics, QIPs can be categorized into 1) agricultural development project aimed at small farmers, 2) middle–large scale investment, and 3) agricultural development investment cooperating with small-scale farmers.

The analysis method and evaluation criteria for the business plan of QIPs will be decided based on the above and results of analyses in the field survey. In addition, the intentions or requests of private companies, which will be obtained through consultation with Japanese private companies or Brazilian companies operating in Mozambique, will be considered. The above analysis and results of evaluation are to be fed back to the QIPs and their implementation plans

(2) Preparation and Discussion of Interim Report (III)

The priority projects and QIPs will be submitted as Interim Report III (English). The report will be translated into Portuguese tentatively for discussion with related institutes in Mozambique. The progress of the project shall be shared among them and the discussion will be reported in the minutes of the meeting.

(3) Environmental Impact Assessment (Environmental and Social Considerations) for the Development Projects

Environment impact assessment (EIA) shall be carried out two times, first after the Master Plan is prepared when all activities have been clarified, and second during preparation of the QIPs when details of the projects including location are being discussed.

(4) Supporting the Formulation of Resettlement Plan in the Case of the QIPs Require the Resettlement or Land Acquisition

Large-scale resettlement and change of land-use rights from current land users are not expected during implementation of QIPs. However, if some resettlement or land acquisition will be required, it will be supported by preparation of a simple resettlement plan in accordance with JICA's Guideline for Environmental and Social Considerations (April, 2010) (hereinafter JICA Consideration Guideline).

In the JICA Consideration Guideline, it is stated that a resettlement plan should be submitted by the Government of Mozambique side to JICA, and concurred by JICA. Therefore, if submission of a resettlement plan is required in the Study, it should be prepared and submitted by the Government of Mozambique. However, if this is difficult for the Government of Mozambique due to technical or financial reasons, then it may be necessary for the Japan side to support implementation of the required survey and prepare the resettlement plan.

Presently, the scale of resettlement or land acquisition required for implementation of QIPs cannot be predicted. Therefore, the required workload cannot be estimated. Thus, if the survey is required, it must be immediately discussed with authorities and the work contents and methods including additional subcontracting will be decided.

(5) Supporting the Third Stakeholder Meeting (expected to be held in March 2013)

The third stakeholder meeting will be organized by the MINAG supported by the Study Team. The QIPs and their implementation plans will be explained in the meeting. Any opinions on the plans by the attendees will be gathered. The presentation might be conducted by the Mozambique Counterpart as part of OJT for technical transfer with support of the Study Team. The attendance and location of the

meeting are expected to be same as the 2nd meeting, but details will be discussed with JICA and finalized with the Ministry of Agriculture.

(6) Proposal for Capacity Building Plan of Mozambican Authorities to Implement the QIPs by Themselves

The recommendation for strengthening of project implementation is issued through review and analysis of challenges in implementation structure in Mozambique, which are identified during the preparation of QIPs.

In this recommendation for strengthening of the implementation structure, in addition to the recommendations found during preparation of the Master Plan, items newly recognized through examination of QIPs will also be incorporated. Moreover, it is recommended that the Mozambique Government ensure that the agricultural investment is carried out in accordance with the RAI.

5.3. Output 4: Preparation of Investment Data Book for Agricultural Sector of Nacala Corridor Area and Holding Investment Seminars (March to June 2013)

5.3.1. Elaboration and Presentation of Data Book to Private Investors

(1) Preparation of Investment Data Book for Agriculture Sector of Nacala Corridor Area

The Data Book includes not only information related to the QIPs but also all required information for investment. It will be published in Portuguese, English and Japanese. The preparation of the Data Book shall be work together with CPI and the counterpart of the MINAG.

The Data Book will contain the whole picture of the Master Plan on agriculture development in the Nacala Corridor, QIPs and required process for agricultural investment in accordance to the laws of Mozambique. In addition, the “Agricultural Investment Blue Print in Beira Corridor,” which has been published to promote investment in the Beira Corridor, will be consulted upon issuing of the Data Book in this Study. The contents Data Book will be decided after discussions with CPI, counterparts and concerned institutes of Mozambique.

5.3.2. Holding Seminars and Workshops to Stakeholders

(1) Investment Seminars and Presentation of Master Plan

An Investment Seminar shall be held with private companies. In the seminar, the Master Plan and the investment Data Book for agricultural development in the

Nacala Corridor will be explained, and the Investment Data Book shall be distributed. The seminar will be held on 1 day in Mozambique and Japan respectively. The seminar in Mozambique will be held at the same time as the explanation of Draft Final Report. On the other hand, the seminar in Japan will be held after the explanation of the Draft Final Report is completed during waiting for the comments on the Draft Final Report from MINAG. The number of attendees is expected to be about 50 people in both seminars. At present, it is expected that a few administration officials in Mozambique will be invited to the seminar in Japan.

(2) Finalization of Agricultural Development Master Plan in Nacala Corridor Area

The Master Plan is finalized by feedback of newly found items through examination of priority agricultural development plans and QIPs. In particular, in order to maintain consistency between the Master Plan and QIPs, details of QIPs will be reflected in the Master Plan such as detailed activities plan, implementation schedule, result of business model analysis, recommendation for strengthening the implementation structure, etc., which will be examined during the preparation of implementation plans for selected QIPs.

(3) Preparation and Discussion of Draft Final Report

All the results of the Study, from the beginning of the Study to finalization of the Master Plan, are described in the Draft Final Report. (English and Portuguese tentatively) The report will be explained in detail with related institutes in Mozambique, other donors, the private sector and NGOs. The comments stated in the explanation meeting will be recorded in the minutes of meetings and agreed on by the MINAG. Moreover, it is noted in the minutes that additional comments should be submitted in written form by the required date.

5.4. Final Report (August 2013)

The comments on the Draft Final Report of the MINAG, JICA, ABC and output of investment seminars will be reflected in the Final Report. The Final Report will be submitted through official channel of JICA.