

RECORD OF DISCUSSIONS
ON
STUDY ON NACALA ECONOMIC CORRIDOR DEVELOPMENT
IN
THE REPUBLIC OF MOZAMBIQUE
AGREED UPON BETWEEN
MINISTRY OF PLANNING AND DEVELOPMENT
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

Maputo, 18 November 2011



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Japan International Cooperation Agency



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Ministry of Planning and Development
The Republic of Mozambique

In response to the official request of the Government of the Republic of Mozambique (hereinafter referred to as "GOM") to the Government of Japan (hereinafter referred to as "GOJ"), the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions with Ministry of Planning and Development of GOM (hereinafter referred to as "MPD") and relevant organizations to develop a detailed plan of the Study on Nacala Economic Corridor Development in Mozambique (hereinafter referred to as "the Project").

Both parties agreed the details of the Project and the main points discussed as described in the Appendix 1 and the Appendix 2 respectively.

The effectiveness of the record of discussions is subject to the approval of JICA.

Appendix 1: Project Description

Appendix 2: Main Points Discussed



PROJECT DESCRIPTION

I. BACKGROUND

The Nacala Corridor, which is located in the northern part of Mozambique, has huge potential to boost economic growth with fertile land, natural resources, employment potential (almost 12 million population in 5 provinces), and access to other countries with good port and trunk roads. JICA has cooperated in many projects in this corridor, and there are already existing investments by private sectors in various fields. However, there are some obstacles in order to promote economic development under current situation on infrastructure and social capital. GOM is aware of various development potentials along the Nacala Corridor. Therefore GOM considers the necessity to update existing development plans of the corridor as a whole to guide investment and to reduce negative impact on local society. The Project is to find out the obstacles existing in the Corridor, and the ways to overcome them through grasping the possible impact which may exist among development projects, further development potentials, development risks, and constraints to promote the development has been requested to GOJ by GOM.

This request conforms to the GOJ's cooperation policy to stimulate regional and local economies as well as the JICA's cooperation program regarding Nacala Corridor development itself.

II. OUTLINE OF THE PROJECT

1. Title of the Project

Study on Nacala Economic Corridor Development in Mozambique

2. Expected Goals which will be attained after the Project Completion

(1) Goal of the Proposed Plan

To formulate development strategies to guide appropriate development and investment in the Nacala Corridor.

(2) Goal which will be attained by utilizing the Proposed Plan

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

3. Outputs

(1) Integrated development strategies for the Nacala Corridor.

(2) Database of various sectors in the Nacala Corridor, including GIS data.

(3) Topographic maps for selected areas in the Nacala Corridor.

4. Activities

(1) Review of existing development plans, development projects, studies, and public and private investments in the Nacala Corridor

(2) Collection of available data and information concerning the Nacala Corridor

including Tete Province

- (3) Collection of available data and information and review of existing development plans and projects concerning neighboring countries
- (4) Collection and preparation of GIS data for establishing GIS database
- (5) Preparation of topographic maps for selected areas
- (6) Preparation of database of socio-economic and sector situation on the Nacala Corridor
- (7) Analysis to identify constraints to development, factors of promoting development, and potential for development
- (8) Establishment of a planning framework
- (9) Analysis by preparing alternative development scenarios
- (10) Strategic environmental assessment of development strategies for the Nacala Corridor
- (11) Formulation of integrated development strategies for the Nacala Corridor
- (12) Recommendation of measures to complement on-going and planned development projects
- (13) Formulation of projects in selected sectors in accordance with the integrated development strategies
- (14) Prioritization of existing and proposed development projects
- (15) Capacity development of planning and monitoring for development of the Nacala Corridor

5. Input

(1) Input by JICA

(a) Dispatch of Mission

For the implementation of the Project, JICA shall dispatch, at its own expense, a team of the Project to the Republic of Mozambique and neighboring countries if necessary.

Input other than indicated above will be determined through mutual consultations between JICA and MPD during the implementation of the Project, as necessary.

(2) Input by MPD

MPD will take necessary measures to provide at its own expense:

- (a) Services of MPD's counterpart personnel and administrative personnel as referred to in II-6;
- (b) Credentials or identification cards;
- (c) Available data (including existing digital/analog maps and photographs) and information related to the Project;
- (d) Running expenses necessary for the implementation of the Project; and

6. Implementation Structure

Steering Committee (hereinafter referred to as "S/C") and Working Group (hereinafter referred to as "W/G") will be established in order to facilitate inter-organizational coordination. S/C will be held when the JICA mission submits the reports and/or whenever deems it necessary for decision making regarding the Project. A list of proposed members of S/C is shown in the Annex 2. W/G will be established and function as daily- work basis to correspond to the JICA mission. A list of proposed members of W/G is

shown in the Annex 3.

7. Project Site(s) and Beneficiaries

The Project is to cover the areas of Nampula Province, Niassa Province, Cabo Delgado Province, northern seven (7) districts of Zambezia Province, and Tete Province.

The direct beneficiary of the Project will be around 12 million people who live in the Nacala Corridor and indirect beneficiary of the Project will be the whole nationals of the Republic of Mozambique.

8. Duration

The Project will be implemented for approximately 20 months as shown in Annex 4. The schedule is provisional and subject to change when both parties agree upon the necessity that may arise in the course of implementation of the Project.

9. Reports

JICA will prepare and submit the following reports to the MPD in English. The summaries and main texts of Draft Final Report and Final Report will be translated into Portuguese and submitted to MPD as well.

- (1) 50 copies of Inception Report at the commencement of the first work period in the Republic of Mozambique
- (2) 50 copies of Progress Report at the time about 8 months after the commencement of the first work period in the Republic of Mozambique
- (3) 50 copies of Interim Report at the time of 14 months after the commencement of the first work period in the Republic of Mozambique
- (4) 50 copies of Draft Final Report at the end of the last work period in the Republic of Mozambique
- (5) 50 copies of Final Report within one (1) month after the receipt of the comments on the Draft Final Report

10. Environmental and Social Considerations

- (1) MPD agreed to abide by 'The JICA Guidelines for Environmental and Social Considerations (April 2010)' in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

III. UNDERTAKINGS OF MPD AND GOM

1. MPD and GOM will take necessary measures to:

- (1) ensure that the technologies and knowledge acquired by the Republic of Mozambique nationals as a result of Japanese technical cooperation contributes to the economic and social development of the Republic of Mozambique, and that the knowledge and experience acquired by the personnel of the Republic of Mozambique from technical training as well as the equipment provided by JICA will be utilized effectively in the implementation of the Project; and
- (2) grant privileges, exemptions and benefits to the members of the JICA missions, which are no less favorable than those granted to experts and members of the missions and their families of third countries or

international organizations performing similar missions in the Republic of Mozambique.

2.MPD will bear claims, if any arises, against members of the JICA missions resulting from, occurring in the course of, or otherwise connected with, the discharge of their duties in the implementation of the Project, except when such claims arise from gross negligence or willful misconduct on the part of members of the JICA missions.

IV. EVALUATION

JICA will conduct the following evaluation and survey to mainly verify sustainability and impact of the Project and draw lessons. The MPD is required to provide necessary support for them.

1. Ex-post evaluation three (3) years after the project completion, in principle
2. Follow-up survey on necessity basis

V. PROMOTION OF PUBLIC SUPPORT

For the purpose of promoting support for the Project, MPD will take appropriate measures to make the Project widely known to the people of the Republic of Mozambique.

VI. MUTUAL CONSULTATION

JICA and MPD will consult each other whenever any major issues arise in the course of Project implementation.

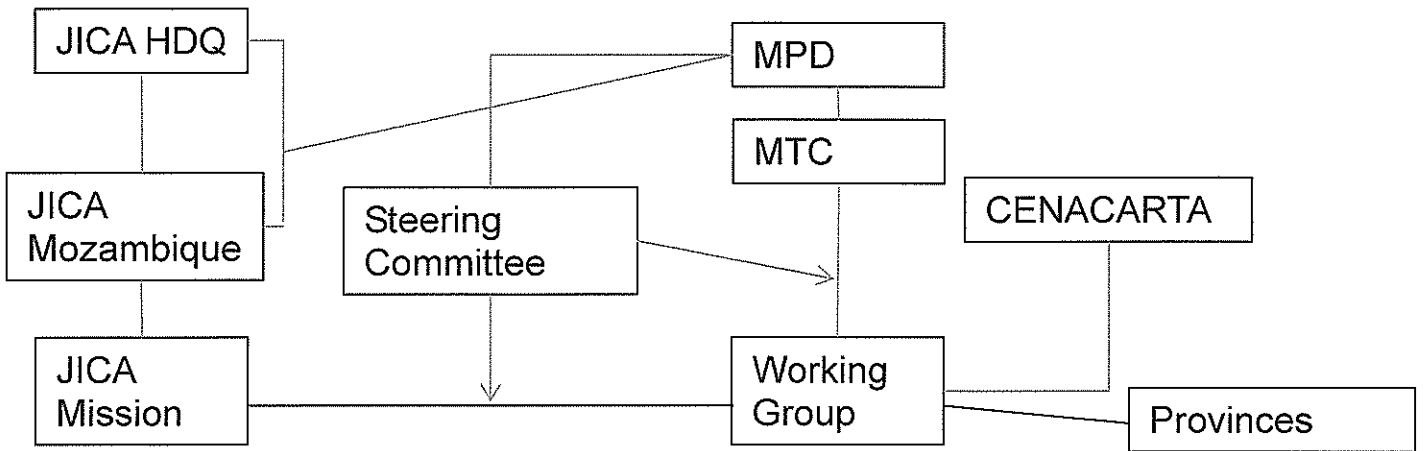
VII. AMENDMENTS

The record of discussions may be amended by the minutes of meetings between JICA and MPD.

The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the record of discussions.

- Annex 1 Project Organization Chart
- Annex 2 List of Proposed Members of Steering Committee
- Annex 3 List of Proposed Members of Working Group
- Annex 4 Project Schedule
- Annex 5 List of Attendants

Annex 1 Project Organization Chart



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Annex 2 List of Proposed Members of Steering Committee

1. Function

The Steering Committee shall fulfill the following functions and hold meetings when the JICA mission submits reports and/or whenever the need arises;

- (1) To monitor and supervise the entire project;
- (2) To discuss and approve the reports;
- (3) To coordinate among authorities concerned; and
- (4) To review and exchange views on major issues arising from or in connection with the Project.

2. Composition

2.1 Mozambique side

Chairperson: Ministry of Planning and Development

Vice Chairperson: SDI Unit, Ministry of Transport and Communication

Members

- a. Ministry of Planning and Development
- b. GAZEDA
- c. Ministry of Energy
- d. Ministry of Agriculture
- e. Ministry of Mineral Resources
- f. Ministry of Coordination of Environmental Affairs
- g. Ministry of Tourism
- h. Ministry of Industry and Trade
- i. CENACARTA
- j. CFM
- k. ANE
- l. DNA
- m. Nampula Province
- n. Niassa Province
- o. Cabo Delgado Province
- p. Zambezia Province
- q. Tete Province

2.2 Japanese side

- a. Representative, JICA Mozambique Office
- b. Team Leader, JICA Mission

Other person(s) recommended by JICA

Annex 3 List of Proposed Members of Working Group

1. Function

The Working Group shall fulfill the following functions and organize meetings at least bimonthly and/or whenever the need arises;

- (1) To support the JICA mission by providing necessary arrangement;
- (2) To examine and analyze the technical aspects of reports;
- (3) To monitor and evaluate the Project;
- (4) To coordinate the Project and stakeholders; and
- (5) To deal with any issues instructed to consult by the Steering Committee.

2. Composition

2.1 Mozambique side

Chairperson: Ministry of Planning and Development

Members

- a. GAZEDA, Ministry of Planning and Development
- b. SDI Unit, Ministry of Transport and Communication
- c. CENACARTA
- d. ANE
- e. DNA
- f. Ministry of Agriculture
- g. Ministry of Industry and Trade
- h. Ministry of Coordination of Environmental Affairs
- i. Nampula Province
- j. Niassa Province
- k. Cabo Delgado Province
- l. Zambezia Province
- m. Tete Province

2.2 Japanese side

- a. Members, JICA Mission

Other person(s) recommended by JICA

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Annex 4 Project schedule

The Project will be carried out for approximately 20 months as shown below.

Cumulative Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Project	[Gantt bar representing project duration from month 1 to 20]																			
Reports	▲ IC/R								▲ PR/R						▲ IT/R				▲ DF/R	▲ F/R

- IC/R: Inception Report
- PR/R: Progress Report
- IT/R: Interim Report
- DF/R: Draft Final Report
- F/R: Final Report

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Annex 5 List of attendants

<Mozambique Side>

Ministry of Planning and Development

Mr. Adriano Ubisse National Director, Directorate of Investment and Cooperation

Ms. Ester dos Santos Jose Deputy Director of Investment and Cooperation

Mr. Jose Antunes Head, Department of Studies and Projects, GAZEDA

Ms. Carmen Paula Quembo Special Economic Zones Department, GAZEDA

Mr. Antonio Luis Directorate of Investment and Cooperation

Mr. Berlindo Fernando Economist, GAZEDA

<Japanese Side>

Detailed Planning Survey Team

Mr. Hiroyuki Hayashi Leader

Ms. Reiko Funaba Cooperation Planning

Mr. Hideyuki Sasaki Regional Development/Social Survey

Mr. Hiroshi Okada Water Resources/Environmental and Social Consideration

Dr. Washington L. C. Silva Water Resources

Mr. Atsushi Saito Transportation and Logistics

Mr. Yoichi Oyama Geographic Information

Mr. Takashi Kasai Electricity and Energy

Mr. Keita Hasebe Interpreter

Ms. Ayako Otsuka Interpreter

JICA Mozambique Office

Ms. Harumi Maruyama Project Formulation Advisor



MAIN POINTS DISCUSSED

1. Project title

Both sides agreed to change the Project title from "Study on Nacala Economic Corridor Development in Mozambique" to "The Project for Nacala Corridor Economic Development Strategies in the Republic of Mozambique" in order to clarify the goals of the Project.

The change of the Project title will be valid after the approval of the GOJ and will be informed the GOM.

2. Project site(s)

Both sides agreed that the Project shall cover Nampula Province, Niassa Province, Cabo Delgado Province, Zambezia Province, and Tete Province even though Tete is not classified as part of Nacala Corridor currently. MPD explained that the development and investment in Tete would have considerable impact on Nacala Corridor in the short term, especially after realization of railway development, thus the review of Tete's situation is indispensable for the Project.

It was also confirmed that the focuses and approaches to each Province should be different from the view point of its own geographical condition and development potential. Nampula Province requires special attention considering the capacity of Nacala Port, while key factor in Niassa and Zambezia is agriculture. Cabo Delgado is part of important river basins which could provide water to Nampula and Niassa.

In addition, both sides confirmed that the northern 7 (seven) districts of Zambezia Province should be Alto Molocue, Gile, Gurue, Ile, Lugela, Milange, and Namarroi.

3. Topographic maps

The Detailed Planning Survey Team proposed the areas of preparing topographic maps at a scale of 1:10000 could be Nacala City and Nampula City.

It was also agreed that CENACARTA should be one of the main counterpart agencies for the Project since GIS data mapping and preparation of topographic maps cannot be achieved nor maintained without them.

4. Coordination by MPD

MPD promised the Detailed Planning Survey Team that it will manage the coordination among various organizations related to the Project. The Detailed Planning Survey Team also asked MPD to allocate full time counterparts to the Project for such coordination, and MPD replied to consider it before the start of the Project.

MPD will inform JICA Mozambique office of the member list of S/C and W/G by the end of December 2011.

5. Complementary relation with Spatial Development Initiative(SDI) Program

The output of the Project can be utilized by SDI Program. The Project and

SDI Program could be complementally cooperated.

6. Office space for the JICA mission

It was confirmed by the both sides that office arrangement and its cost for the JICA mission should be shouldered by JICA. MPD proposed that GAZEDA Nacala could offer some space provisionally until the JICA mission establishes the office in Nampula.

7. Support for Project expenses

It was confirmed that MPD will give necessary supports concerning the followings:

- Opening and closing bank accounts for the JICA Mission
- Foreign remittance to/from Mozambique in accordance with relevant laws in Mozambique

8. Information disclosure

Both sides agreed that the final report will be open to public after the review by Mozambique side.

During the Project, international seminars/conferences will be held in order to share the progress and outputs of the Project with stakeholders related to Nacala Corridor development.

