

DEVELOPMENT CORRIDORS & SPATIAL DEVELOPMENT

An Opportunity for Focused and Market-Led
Aid and Investment

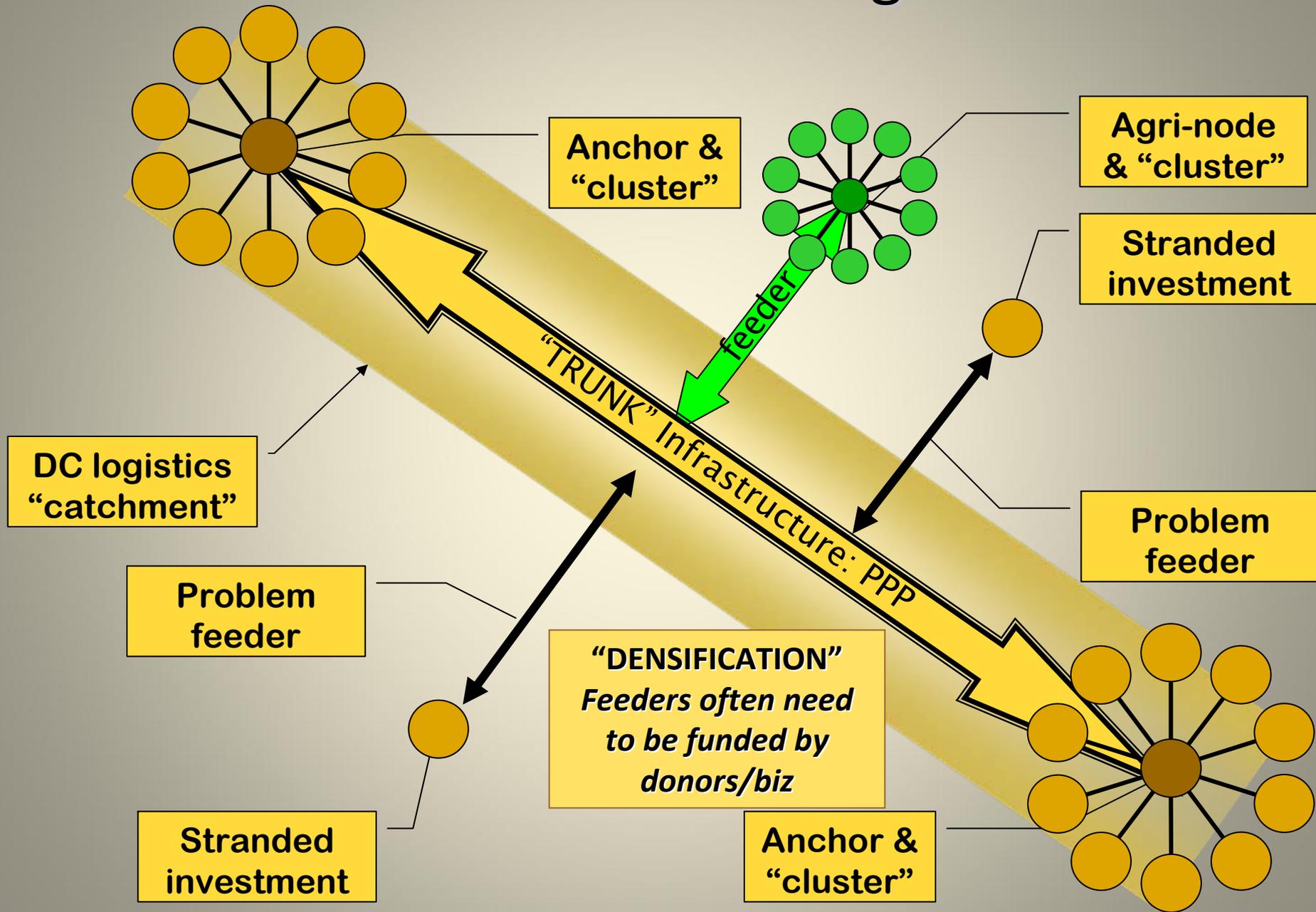
By Katrin Kuhlmann

*Resident Fellow, German Marshall Fund of the
United States*

June 15, 2010



Idealized DC Configuration



BAGC (Beira (Zambeze) Agricultural Growth Corridor) "Anchor" Projects

Zambeze SDI

Beira SDI

ROADS

ADE has committed nearly \$45m towards the upgrading, rehabilitation and maintenance of various road projects in the Manica and Tete provinces.

RAILWAY

The Beira Corridor railway comprises two main lines: the first is the Machiponga line linking Zimbabwe (and therefore Zambia) and DRC to Beira port. The second line runs from Beira to Mozambique (connecting the Mozawi border and the Zambezi delta (sugar plantations)) the EIB and the EU have recently lent \$94m towards the Soma Line & in the \$110m has been committed by the World Bank for the entire project.

BIOPHYSICS

Principal Energy is expected to utilize 14,000ha to invest \$480m towards ethanol production from sugar cane. Located in Liamba, the biotrust is expected to flow out of Mozambique through Beira port. The project is expected to generate 10 TWh of extra power to be sold within Mozambique.

MINING

Tata provincia's coal reserves are among the largest in the world. The largest project expects to see \$1.6bn invested by Vale. Riversdale mining and Tata Steel will invest \$800m into their Dengs Project mine.

FURI

Comelder de Moçambique is developing a programme to rehabilitate the port returning it to its previous operating capacity. Funding commitments are as follows:
 - JICA: \$17m towards reinforcement of dredging capabilities
 - EU: \$60m towards restoration of the access channel to its original design characteristics

FERTILISER TERMINAL

Yara International will invest \$30m in a fertiliser terminal at Beira. The port improvements, which include a holding warehouse to streamline distribution, will speed up fertilizer shipments and make fertilizer available year-round. This will significantly cut production costs.

INDUSTRIAL

Plas Agri will be farming Cereals and Oil Seeds on 9,200 ha of land. The total investment size for this project is \$68m. Plas have also secured a second plot and are expected to begin work shortly.



Centro de Promocão da Agricultura
CEPAGRI



NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

Alliance
 for a Green Revolution in Africa

AgDevCo

TransFarm Africa



InfraCo

Prorustica

Requires greater integration into Moz SDI programme

www.beiracorridor.com

Current RSDIP Development Corridor (SDI)

**NCTTCA:
Northern DC**

**Extend to
Kisangani?**

**New Rail:
Isaka-Kigali**

**Seminal Multilateral Ministerial Decision
to concession the Kigali – Dar rail as a
single seamless project!**

**CDC:
Central DC**

Legend

Central SDI

- 15 km
- 16 - 30 km
- 30 - 45 km

Legend

- Cities
- Major Road
- Main Road
- Secondary Road
- Rail Network
- Existing Power Grid
- Possible Power Grid
- Reserves

Central SDI: Dar to Kigali (Kisangani?) RSDIP

Countries: Tanzania, DRC, Rwanda, Burundi

Anchor: Nickel (Kabanga), Gold (Mwanza Au Belt), Ta/Nb (DRC), agriculture & agri-industries, fishing/aquaculture, tourism

Infra: rail upgrade & ext., port upgrade, road net., elec gen & grid

CHALLENGES & BARRIERS

- **Railway:** Several African countries have **no rail connections**
- **Transport:** Up to **60 percent** of African **crops** are routinely **lost**
- **Warehousing:** A space limit of **2 palettes for cold storage** at Dar airport
- **Cold storage:** **No cold chain** present in Mozambique
- **Electricity:** Many Africans (esp. rural) lack access to **electricity network**
- **Supply-side constraints:** Info gaps, expensive inputs, etc
- **Trade Facilitation:** Kigali to Mombasa: **24 police checks, 14 road blocks** and **13 weighbridges** for trade along the Northern Corridor

THE WAY FORWARD: **OPPORTUNITIES** FOR GOVERNMENTS AND INVESTORS

- Align **food security investments and infrastructure** (mainline *and* supporting) around Corridors
- Build capacity of **whole supply chain** & develop markets at all levels
- Focus on concrete, **specific needs and demands**
- **Break down policy silos:** e.g. trade & development policies
- Prioritize interventions: e.g. trade facilitation, infrastructure and development aid on Development Corridors w/ most potential