

## Signing of Japanese ODA Loan Agreement with the Republic of Mozambique —Improvement of Distribution Efficiency through Road Upgrading, Contributions to Economic Growth in Southern Africa—

Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the Republic of Mozambique in Maputo to provide a loan of up to 6.773 billion yen for assistance for the Mandimba-Lichinga Road Upgrading Project.

This project will improve the national road between Mandimba and Lichinga in Niassa, a province located in the northwest region of Mozambique on the border of Malawi and Tanzania, to improve distribution efficiency, thereby boosting the economy of the region around the Nacala corridor[1] and improving the livelihoods of local residents. This project is being cofinanced by the African Development Bank (AfDB). Funds from the AfDB will be allocated to road paving from Mandimba to Masangulo, a midpoint along the route, and funds from JICA will be allocated to road paving and bridge improvements from Masangulo to Lichinga, along with consulting services (including a review of detailed design work, bidding assistance, overall project monitoring and construction monitoring).

Road infrastructure lags significantly in Mozambique due to the effects of the long-lasting civil war, with only about 17 percent of the roads paved (a total of approximately 37,000 kilometers) and many sections impassable during the rainy season. Although National Highway No. 1, which connects the north and south, as well as the infrastructure in the southern part of the country, are relatively developed, development of trunk roads connecting the port to the inland area in the north (the east and west route to the border of Malawi and Zambia) where the effects of the civil war were particularly devastating lags behind, leading to concerns that delays in the flow of goods will hinder economic growth. Niassa Province has a high potential for agriculture, forestry, mining and tourism, but only about 14 percent of the major roads are paved, which is low compared to the national average of 20 percent. The delay in road paving hinders development in the province.

Increased crop production is expected in the area near the Nacala corridor, and private enterprises, including Japanese companies, are focused on the economic potential. By improving distribution efficiency to the Port of Nacala through this project, investment and new business participation may be stimulated, which is expected to promote development in the region.

For cooperation in northern Mozambique, Japan is promoting a comprehensive corridor development approach through the Nacala Corridor Development Programme, aiming to contribute to inclusive development in the region by promoting economic and social infrastructure development, human and industrial development and employment opportunities. So far the following projects have been implemented:

- 1) The Project for Nacala Corridor Economic Development Strategies,
- 2) Nacala Port development projects, aiming to triple the cargo handling capacity after completion of the project through technical and financial cooperation,
- 3) The Montepuez - Lichinga Road Upgrading Project,
- 4) The Nampula - Cuamba Road Upgrading Project,
- 5) The Project for Construction of Bridges on the Road between Ile and Cuamba (grant aid),
- 6) ProSAVANA, a triangular cooperation program for agricultural development of the tropical savannah in Mozambique,
- 7) The Project on Promoting Sustainability in Rural Water Supply, Hygiene and Sanitation in Niassa Province and
- 8) The Project for the Construction of Secondary Schools in Nampula Province
- 9) The Project for the Construction of Monapo Primary Teacher Training Institute in Nampula Province

All the above implemented projects and the corridor development related initiatives will improve access to hospitals, schools and other institutions for local residents, promoting transportation and sales of agricultural and other products in the region. As a result, it is expected that the livelihoods and nutrition of the local residents will improve and poverty will be reduced.

- [Project Map \(PDF/488KB\)](#)



Signing ceremony

