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**MTWARA AND CENTRAL DEVELOPMENT CORRIDORS
OPPORTUNITIES FOR INVESTMENT**

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1.0 INTRODUCTION

1.1 DEVELOPMENT CORRIDORS (DCs) AND SPATIAL DEVELOPMENT INITIATIVES (SDIs)

A Development Corridor is a defined geographic region with potential for multi-sectoral integrated development built around a backbone transport infrastructure linking the region to gateway for international trade

A Spatial Development Initiative is a short ,sharp programme of strategic activities with specific milestones and outputs- aimed at development of plans to facilitate investment- led growth. SDI is a particular methodology , not a place.

SDI is a relatively new concept that is taking root particularly in the Southern African region as well as elsewhere in the world. The basic premise of this concept is to view economic activity, including transport, in a holistic manner. It recognizes the inter dependence of various sectors. It facilitates easier and faster decision making by all those involved in the SDI activities including project promoters, investors, financiers, service providers, Government and its related policy regulatory and security organs as well as users or direct beneficiaries.

In the strategic context SDI have been adopted as an instrument to initiate socio-economic development in less developed regions within a country and between countries. SDI provides for concurrent investments and development of

- hard or physical infrastructure
- key growth sectors (agriculture, mining, manufacturing, tourism, forestry and marine exploitation).
- social sector (education, health, local community projects).

It involves the identification of a strip of land area/geographical space, which is the targeted for implementation of a specific holistic development programme. The long term sustainability and success of the SDIs depends to a significant degree on the existence of proven inherent economic development potential and comparative advantage, which is attractive for the private sector to exploit. SDIs are intended to integrate, rather than substitute the existing economic development and poverty reduction programmes and strategies.

Key features of SDIs and Development Corridors:

- SDI and DCs Programme have four key element:-
 - economic services infrastructure needs and supply
 - economic potential exploitation projects
 - social serves needs and supply
 - policy and strategy environment conducive to growth
- SDI Programmes must identify the four elements and develop a strategy and framework for coordinating implementation
- Public- Private Sector Partnerships is an essential feature of SDIs and DCs
- Rapid planning and delivery is necessary to maintain the development momentum and flows of capital.

Typical SDI outputs

- Socio-economic review of area
- Lead sector studies and /or pipeline analysis
- Development strategies for area
- Anchor and ancillary investment opportunities identified and scoped
- List of public sector actions and interventions needed to enable investment
- Marketing strategies
- investment conferences/marketing

- Plans and projects for implementation by responsible line departments and agencies

Potential SDI outcomes

- Portfolio of investment opportunities
- Facilitated access to finance
- New investment
- New employment
- Local economic growth
- Regional economic integration
- Land reform
- SMME support
- Empowerment and SMME models for sectors (agriculture, mining, tourism)
- Models for intra-government coordination
- Models for intergovernmental cooperation
- HRD: capacity building, training and mentoring

In adopting the SDI concept as a socio-economic development strategy the Government of Tanzania (GOT) has mandated the National Development Corporation (NDC) to develop coordinate and implement commercial and economic projects in the Mtwara Development Corridor (MtDC). The development of Mtwara Development Corridor combines the commitments of Malawi, Mozambique and Zambia to participate in the Mtwara SDI(Annexure 1). The four countries have already established a consultative framework for collaborating in the development of the corridor.

2.0 MTWARA DEVELOPMENT CORRIDOR

Mtwara Development Corridor is a Spatial Development Initiative, which will create an economic growth zone of trans-border trade and investment, linking Malawi, Mozambique, Tanzania and Zambia through a transport corridor to be served by the seaports of MTWARA on the Indian Ocean as the gateway for international trade.

The main objective of the Mtwara Corridor is to unlock the inherent economic and growth potential of the area in agriculture, mining, tourism and the exploitation of natural resources .A number of major economic services projects (infrastructure) in a variety of sectors, have already

been identified as investment opportunities in the Mtwara Development Corridor in Tanzania. These include the following anchor infrastructure projects:-

- Mchuchuma – Katewaka Coal Mine to produce 1.5 million tonnes of coal per annum.
- 400MW Mchuchuma Coal- Fired Thermal Power Station to be constructed at the mouth of Mchuchuma Colliery.
- Transmission system to evacuate power to the National Grid and to bring power to the Mtwara Development Corridor.
- Mtwara – Songea – Mbamba Bay road upgrade
- Mtwara Port modernization and expansion
- Mtwara Airport modernization and expansion
- Development of a Lake Port at Mbamba Bay to handle Malawi cargo which will go through Mtwara Port
- Highway Link and cross-border Bridge (Unity Bridge) to Cabo Delgado Province of Northern Mozambique
- Water Resources Development including the building, operation and maintenance of urban and industrial water reticulation systems.

These economic services projects have been identified and given priority for implementation, in order to open up the Mtwara Corridor area for other projects identified as the economic development generators for the Mtwara Development Corridor which will provide the economic justification for the infrastructure projects.

Lead growth sectors identified for DCs include

- Agribusiness
- Tourism
- Mining

DCs provides a platform for cross-border investment in Tourism through harmonization of the investments environment and development programmes.

Development of infrastructure is key to unlock the Tourism potential of MtDC

Annexure 2 indicates the major projects identified for Tanzania in the context of the Mtwara Development Corridor as well as the Anchor Projects starting with the Mchuchuma Coal and Power Project.

2.1 TOURISM DEVELOPMENT IN THE MTWARA DEVELOPMENT CORRIDOR

Mtwara Development corridor is an area with unique and exotic tourist attractions, hence need to be developed. Indeed there is room for investment in this potentially rich corridor comprising of the world famous Selous Game Reserve, Udzungwa, Mikumi and Ruaha National Parks and the extensive beaches along the Indian Ocean.

Annexure 3 indicate National Parks and Game Reserves in Tanzania

2.1.1 THE TOURIST ATTRACTIONS WITHIN THE MTWARA DEVELOPMENT CORRIDOR

Attractions existing in the tourism sector includes wildlife in the Game reserves and National Parks, sand beaches, aquatic life in Marine parks and reserves, cultural and heritages in different locations in the development corridors. The following attractions have been identified:

2.1.2 Wild Life

Selous Game Reserve

The Selous Game Reserve with an area of about 50,000km² is the biggest in the World offering a wide range of wild life, such as, elephants, hippos, buffaloes, waterbucks, gazelles, lions, leopards, zebras, rhinos, etc. It has very good populations of wildlife with the Rufiji River giving the Selous an added dimension. Tourist operations in the Selous Game Reserve could be hunting expeditions, game viewing and photographic safaris.

The protected areas of Rungwa and Lukwika/Lumesule Game Reserves

Rungwa and Lukwika/Lumesule are the only two Game Reserves in the southern tourism circuit of Tanzania without definite financial support. Despite the given size of Rungwa Game Reserve, (16,000km²) the whole area is administered from one head office. This renders it difficult to reach/patrol most part of the Reserve as frequent and timely and all making it difficult to have reliable supplies. Another constraint affecting conservation and exploitation of potential tourism in the area is the poor road network. It is envisaged that, would there be efforts to support tourism in terms of infrastructure and necessary facilities, the current financial constraint could greatly be reduced.

Likewise, Lukwika / Lumesule Game Reserve faces the same constraints. In addition, it has not secured its buildings yet, being a relatively new project. Nevertheless, it is a 'Reserve' with high potential to exuberant the called for, MTWARA DEVELOPMENT CORRIDOR.

Other National Parks and Game Reserves

- Ruaha National Park located west of Iringa town is good for photographic safaris in addition to different animals
- Katavi National Park also rich in wildlife.
- Uwanda Usangu offers opportunities for hunting.

2.1.3 Marine Parks

The Two Marine Parks of Mafia Island and Mnazi Bay –Ruvuma Estuary have the globally important mangrove and coral reefs with rich diversity of tropical marine and coastal habitats. They play an important role to humanity. For biodiversity protection and nature conservation, they provide breeding grounds and home for countless marine organisms. Therefore they have invaluable scientific, educational, economic, cultural and aesthetic values that make them stand out as monuments that must be conserved for posterity.

2.1.4 Historical and Cultural Heritage Sites

Kilwa

Kilwa is among the six World Heritage sites, with Islamic sites which go back to the tenth century. It is where many interesting buildings can be seen. Also the site played a major role as a port for shipment of ivory and slaves. Tourism attractions at Kilwa are:

- ◆ historical ruins, which include mosques, forts and palaces of early traders and settlers in Kilwa Kivinje and Kisiwani.
- ◆ nice beaches and reefs;
- ◆ Discoveries of fossilized remains of different kinds of extinct mammals, together with that of dinosaur at Tendaguru.
- ◆ Several settlements and Islands with local lifestyles, mangroves and beaches, which have World Heritage status.
- ◆ Fascinating hippo pool in river Nyange and a magnificent catchment forest
- ◆ Nang'oma cave system at Nandembo village which is the longest cave in East Africa, harboring two bat species not found elsewhere in the World.

Kalenga Village (Chief Mkwawa's village) and Isimila Stone Age

These are sites where remnants of Stone Age are found in Iringa region

2.1.5 Other attractions

- Sand beaches, Eco-Tourist, International and Beach Hotels.
- Beaches along the coast, Lake Nyasa, Lake Rukwa,
- The Lulanda Natural Forests
- The proposed International Goodwill Exchange Center, and operationalization of an experimental farm at Kitulo Plateau
- The German Boma at Liwale

2.2 INVESTMENT OPPORTUNITIES IN THE MTWARA DEVELOPMENT CORRIDOR

2.2.1 Wild Life

Investment opportunities are in areas of provision of hotel facilities such as wildlife lodges and tented camps to accommodate tourists in the reserve. Identify hunting blocks to be released for photographic tourism, and upgrade the existing road network within the reserve

2.2.2 Marine Parks

To provide infrastructure, facilities and link to the protected areas.

As a package of three components of Game Reserves, Marine Parks and Capacity building for community participation the project will enhance the value of tourist attractions and prolonged tour duration. However each component of the project can be approached separately, subject to availability of funds.

2.2.3 Historical and Cultural Heritage Sites in Kilwa

Plans for conservation of Historical and Heritage Sites at Kilwa Kivinje, Kilwa Masoko and Kilwa Kisiwani are to rehabilitate the historical ruins, develop tourism facilities, land use and provision of basic infrastructure services to the local population. This includes:

- (i) Cultural Development Project to restore historic sites at Kilwa Kisiwani.
- (ii) Establishment of Beach Hotel Resort at Kilwa Kivinje
- (iii) Development of the Kilwa Masoko Township

2.2.4 Prospects currently being pursued for development/ implementation

Construction of Hotels

Eco-Tourist Hotel at Msimbati Peninsular

The Hotel is to be constructed at Msimbati Peninsular south of Mtwara Town and run on eco-tourism principles. The aim of choosing this

approach is to minimize negative effects to the environment in the following ways:

- power will be provided primarily by solar panels and wind power, with additional needs supplied by generator.
- water will be provided by an on-site well and by rain water collection.
- eco-friendly composting toilets will be used throughout avoiding any sewage pollution.
- grey water will be directed to perma culture growing.

Grand Hotel at Masasi.

The planned project site is located at Masasi town, 201km away west of Mtwara town, along the Mtwara-Mbamba Bay road. It envisages offering business/tourist hotel services at Masasi and surrounding areas.

Development of an International Hotel at Mtwara.

Under the MtDC initiatives, Mtwara town is envisaged to become a major port and center of business activities in the Southern part of Tanzania. In this connection there is a need for construction of a modern Business/Tourist hotel to cater for accommodation as well as other hotel services. The proposed hotel envisages offering international class business/tourist hotel services in the area.

Beach Hotel Resort at Kilwa Kivinje

The project site is located some 29km South East from Nangurukuru along the Dar-Kibiti-Lindi-Mingoyo road. It will comprise of the following

- self contained chalets with provision for single and double bedrooms;
- a central lodge building containing bar, restaurant, offices, tourist information centres, kitchen, etc.
- a diving centre, etc

Wildlife lodge and tented camps in Selous Game Reserve.

The project sites are located at Luegu, Mbarang'andu and Njenje in the southern part of the Selous Game Reserve. It is required to accommodate the tourists visiting Selous Game Reserves.

2.2.5 Other Opportunities include:

- ◆ Construction of camping sites and facilities for leisure activities on Lake Rukwa
- ◆ Provision of facilities and soda fountain at Lake Masoko in Mbeya region
- ◆ Conservation of historical sites of Kalenga Village (Chief Mkwawa's village and Isimila Stone Age site where remnants of Stone Age are found.
- ◆ Development of nature trails for safety and conform of travel through the Lulanda Natural Forests
- ◆ Construction of the International Goodwill Exchange Center, and operationalization of an experimental farm at Kitulo Plateau
- ◆ Provide accommodations fat Mitema, Lindi and Mchinga beaches
- ◆ Conserve the Tendenguru Dinosaur excavation site.
- ◆ Rehabilitation of the German Boma at Liwale to turn it into a historical museum.

3.0 CENTRAL DEVELOPMENT CORRIDOR (CDC)

The Central Development Corridor (CDC) initiative is designed to link the Dar es Salaam port on the Indian Ocean and Kigoma port on Lake Tanganyika or Rusumo, border between Tanzania and Burundi. Regions under the CDC are Dar es Salaam, Coast, Morogoro, Dodoma, Singida, Tabora, Shinyanga, Kigoma and Mwanza region. The CDC intends to create an economic growth region which will stimulate cross border trade and investment, especially in physical infrastructure, agriculture, minerals and the tourism sectors.

Corridor to serve land locked countries of Rwanda, Burundi, Eastern DRC and Uganda. (Annexure 4). Member States intend to use an agreed institutional framework for planning, internal consultation from grass roots level to the Regional and National Level, as well as interstate consultations to achieve regional development.

Annexure 5 present in summary the Prospects of Central Development Corridor in Tanzania.

Attractions as well as investment opportunities existing in the tourism sector includes the following:

3.1 TOURISM ATTRACTIONS

3.1.1 The Dar es Salaam and Surrounds

The city is located in proximity to the east coast which offers tremendous opportunities for beach resorts, coastal trails, lookouts and within easy access to Bagamoyo and Saadan nature and heritage tourism. Areas of attraction in the city centre, shopping and nightlife, the harbour, the museum and Mwenge handicraft market, recreational parks and trips to offshore islands of Bongoyo and Mbudya Marine Reserve.

3.1.2 Wild Life

National Parks

Mikumi

The Mikumi National Park is located in Morogoro bordered by the northern part of Selous Game Reserve. As it enjoys good accessibility, few requirements include to develop visitor centre and introducing traffic calming measures along the main road.

Sadani

Sadani is a unique game viewing coastal park, where the bush meets the beach. It protects a wide variety of wild life and habitats.

Others

Gombe, Katavi and Mahale Mountain National Parks in the Lake Tanganyika Zone

Game Reserves

Swaga Swaga Game Reserve Dodoma, Maswa and Makao Game Reserves in Shinyanga.

3.1.3 Historical and Cultural Heritage Sites

Bagamoyo

Bagamoyo has an Arab and colonial style buildings and a variety of accommodations catering to international and local residents. Other attractions include Kaole Ruins and Zaraninge Forest Reserve. The town is one of the most historically important settlements in East Africa.

Other historical attractions

Historical sites Livingstone's trek in Kigoma, remnants of stone age/ paintings in Kondoa and the Slave Trade route with traces at Tabora, and Bagamoyo

3.2 INVESTMENT OPPORTUNITIES

3.2.1 Dar es Salaam City and surroundings

- ◆ Implementation of the Dar es Salaam Waterfront Development Strategy redevelopment of Kilimanjaro Hotel site into a mixed use/hotel complex
 - Shopping square
 - waterfront promenade, and
 - central boat passenger terminal and long term marine development
- ◆ Dar es Salaam Discovery Trail to help visitors find way to a variety of interesting sites, etc.
- ◆ Dar es Salaam East Coast Development Plan - preparation of a long term plan for mixed use development, tourism and conservation.

3.2.2 Bagamoyo

Investment opportunities include revitalizing the town of Bagamoyo, integrating tourism development within the extended Saadan National Park to maximize the carrying capacity and to improve access roads.

3.2.3 Construction of Tourist Hotels

Establishment of Tourist Hotels in the major tourist nodes at Kigoma, Tabora, Singida and Dodoma and restaurants along the main travel route.

4.0 CONCLUSIONS

The Mtwara and Central Development Corridors, exemplify a bold and ambitious move by SADC member states desirous to integrate their economies regionally through the initiative to create a cross-border economic growth area.

The Mtwara and Central Development Corridors are growth initiatives full of promising business opportunities for investors

NATIONAL DEVELOPMENT CORPORATION, Tanzania

Annexure -5

PROSPECTS OF CENTRAL DEVELOPMENT CORRIDORS IN TANZANIA

Central Dev. Corridor (CDC)	Economic Potential	Infrastructure Requirements
Tanzania, D.R. Congo, Rwanda, Burundi, Uganda	<ul style="list-style-type: none"> • Mining: <i>gold</i> (Kahama, Geita, Mwanza, Mara, Nzega, Sekenke, Mpanda, Dodoma, Tabora); <i>cobalt and nickel</i> (Ngara); diamonds; salt; gypsum; and related industries (at EPZs). • Agriculture: vineyards, tobacco, rice, maize, cassava, groundnuts, cotton, fruits (mangoes, bananas, pineapples, oranges), coffee, palm oil (<i>mawese</i>), <i>amarula</i> & <i>aloe vera</i>. • Agri-industries: food and fruit processing, textiles, wine production, coffee and tobacco processing. • Forest products: timber/wood, furniture, honey and wax. • Fishing and fish processing industries (Lake Tanganyika) • Livestock and meat processing and leather and dairy industries. • Tourism: Katavi, Ugalla, Gombe and historical sites (e.g. Livingstone's trek) 	<ul style="list-style-type: none"> • Roads: (a) Morogoro – Dodoma – manyoni Nzega – Isaka; (b) Nzega – Singida – Many Tabora – Kigoma; (d) Tabora – Mbeya region and Mpanda; (e) Mpanda – Kigoma; and (f) roads. • Railways: Concessioning and improvement of central railway system. • Maritime/marine Services: Concession/ lease improvement of Sea/Lake ports (or terminal) services. • Aviation: Leasing and improvement of major airfields e.g. Mwaza, Bukoba, Kigoma (also freight traffic), Tabora, Isaka. • Logistics: Establishment or improvement of facilities and facilitation along logistical chain • Communications: access to and higher performance telecoms and ICT services. • Energy: access to electricity national grid; the use of coal for domestic (e.g. tobacco curing) industrial use. • Water resources: access to reliable water for domestic & industrial use.

PROSPECTS OF MTWARA DEVELOPMENT CORRIDOR IN TANZANIA

Mtwara Dev. Corridor (MtDC)	Economic Potential	Infrastructure Requirement
Malawi, Mozambique, Tanzania and Zambia	<ul style="list-style-type: none"> • Mining: Vanadium, titanium and Iron ore at Liganga. Coalfields at Mchuchuma, Katewaka, Ngaka , Kiwira, Lumecha, Mbamba Bay, Njuga, Mhukuru, Liweta , Galula and Ufipa. Gypsum and salt deposits in Lindi region. Gemstones and Songo Songo & Mnazi Bay Gas Project. • Agriculture : Foodcrops; maize paddy/rice, cassava, beans, Irish potatoes, sorghum, millet, wheat, sweet potatoes and finger millet. Cashcrops; cashewnuts, soya beans, Tea, coffee, pyrethrum, tobacco, cotton, sugarcane, coconut and oilseeds. • Agri-Industries: Cashewnut Processing, Edible Oil Processing, Food Processing and Preservation, Flour Milling, Fruits and vegetable processing, coffee and tobacco processing, Sugar Industries and cotton ginneries in Morogoro region. • Forest Products: Timber/wood, furniture, handicraft, honey and wax. • Fishing : Deep Sea Fishing in the Indian Ocean. Fishing in Lake Nyasa and fresh fish farming, seaweed and SSP Prawn. • Tourism: South Coast Line beaches and Resorts, Historical sites at Kilwa Kivinje, Selous Game Reserve, Ruaha National Park, Katavi National Park, Uwanda, Usangu and Rungwa, Kizigo Game Reserve. 	<ul style="list-style-type: none"> • Roads: (a)Mtwara Mbamba Bay Road (b)Dar es Salaam Mtwara Rd (c)Mchuchuma Mlimba Rd (d)Unity Bridge & Ferry crossing (e)Manda village. (f)Manda-Mchuchuma-Mlimba Highway. (g)Mchuchuma-Ruanda-Kitai Rd • Ports: Port Development in Manda, Mbamba Bay, Lindi ar • Airports: Airport developmer Mtwara, Songea and Njombe. • Energy: (a)Mchuchama/Katewaka Coal Mine. (b)Mchuchuma Thermal Power Station (c)Zambia-Tanzania 330KV Inter Connector. (d)Mchuchuma Mufindi Power Transmission Line. (e)Electrification of Songea and Mbinga Districts. • Railways: (a)Mtwara-Songea-Manda Railway. (b)Manda-Mchuchuma-Mlimba Railways. • Water Resource Developme Mtwara, Lindi, Ruvuma, Iringa, Rukwa, Morogoro and Coast F Communication: The Optical Fi Project.



Legend:

- National Parks
- Game Reserves
- Railways
- Roads
- Airports

Map Labels:

Countries: KENYA, RWANDA, BURUNDI, DEMOCRATIC REPUBLIC OF CONGO, ZAMBIA, MALAWI, MOZAMBIQUE.

Lakes: Lake Victoria, Lake Tanganyika, Lake Malawi, Lake Hyasa.

Cities: DAR ES SALAAM, ZANZIBAR, NAIROBI, MOMBASA, KISumu, Mwanza, Arusha, Dodoma, Morogoro, Iringa, Mbeya, Songea, Tunduru, Masashi, Kilwa, Pangani, Bagamoyo, Kigoma, Ujiji, Tabora, Shinyanga, Musoma, Bukoba, Ikingo, Grumeti, Serengeti, Maswa, Ngorongoro, Tarangire, Mikumi, Iringa, Udzungwa, Ruaha, Rungwa, Kisumu, Ugalia River, Katavi Plains, Mahale Mountains, Gombe Stream, Kigoma, Ujiji, Tabora, Shinyanga, Musoma, Bukoba, Ikingo, Grumeti, Serengeti, Maswa, Ngorongoro, Tarangire, Mikumi, Iringa, Udzungwa, Ruaha, Rungwa, Kisumu, Ugalia River, Katavi Plains, Mahale Mountains, Gombe Stream.

Wildlife Reserves and Parks: Serengeti Nat. Park, Ngorongoro Conservation Area, Kilimanjaro Nat. Park, Tarangire Nat. Park, Mikumi Nat. Park, Iringa, Udzungwa Mountains Nat. Park, Ruaha Nat. Park, Rungwa Game Reserve, Kisumu Game Reserve, Ugalia River Game Reserve, Katavi Plains Nat. Park, Mahale Mountains Nat. Park, Gombe Stream Nat. Park, Kigoma, Ujiji, Tabora, Shinyanga, Musoma, Bukoba, Ikingo, Grumeti, Serengeti, Maswa, Ngorongoro, Tarangire, Mikumi, Iringa, Udzungwa, Ruaha, Rungwa, Kisumu, Ugalia River, Katavi Plains, Mahale Mountains, Gombe Stream.