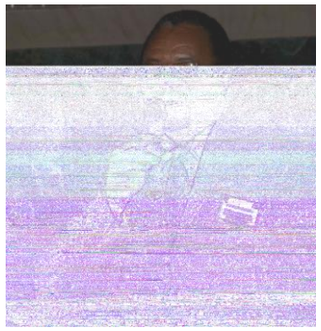
# A REVISED DRAFT MEMORANDUM OF UNDERSTANDING AND STRATEGIC PLAN FOR THE MAPUTO DEVELOPMENT CORRIDOR

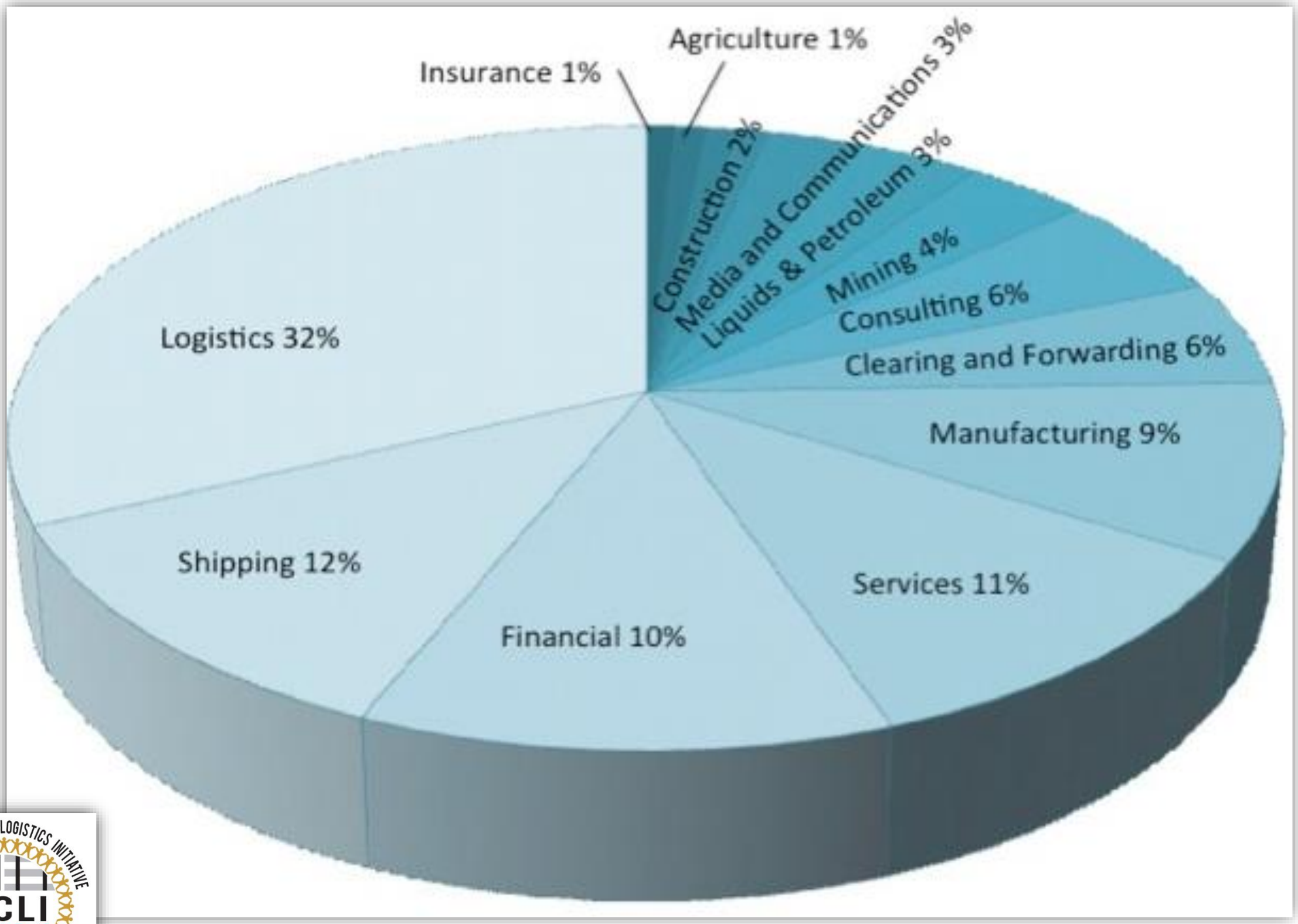
**SSATP REC TCC**
**Abuja**
**3 July 2018**

# What is the Maputo Corridor Logistics Initiative?

- **A non profit, membership organisation established in 2004**

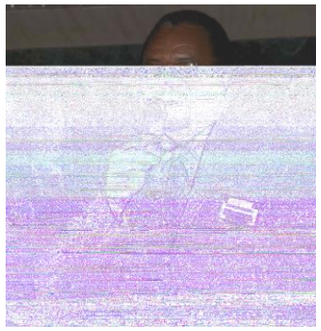


# Membership By Economic Sector



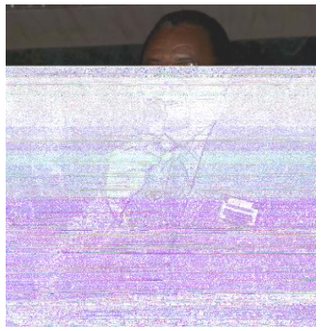
# What is the Maputo Corridor Logistics Initiative?

- **A non profit, membership organisation established in 2004**
- **The interface between the public and private sector to address issues on the transport corridor**



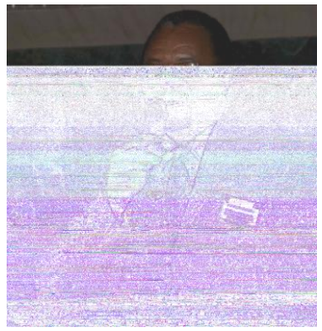
# What is the Maputo Corridor Logistics Initiative?

- **A non profit, membership organisation established in 2004**
- **The interface between the public and private sector to address issues on the transport corridor**
- **A private sector CMI (only one on the continent)**



# What is the Maputo Corridor Logistics Initiative?

- **A non profit, membership organisation established in 2004**
- **The interface between the public and private sector to address issues on the transport corridor**
- **A private sector CMI (only one on the continent)**
- **A powerful network and lobbying platform for all corridor supply chain stakeholders**



# Our Mandate?

# Our Mandate?

**Freight logistics and transport efficiencies**

# Our Mandate?

Freight logistics and transport efficiencies

Addressing bottlenecks to trade

# Our Mandate?

- Freight logistics and transport efficiencies
- Addressing bottlenecks to trade
- Lobby and Advocacy

# Our Mandate?

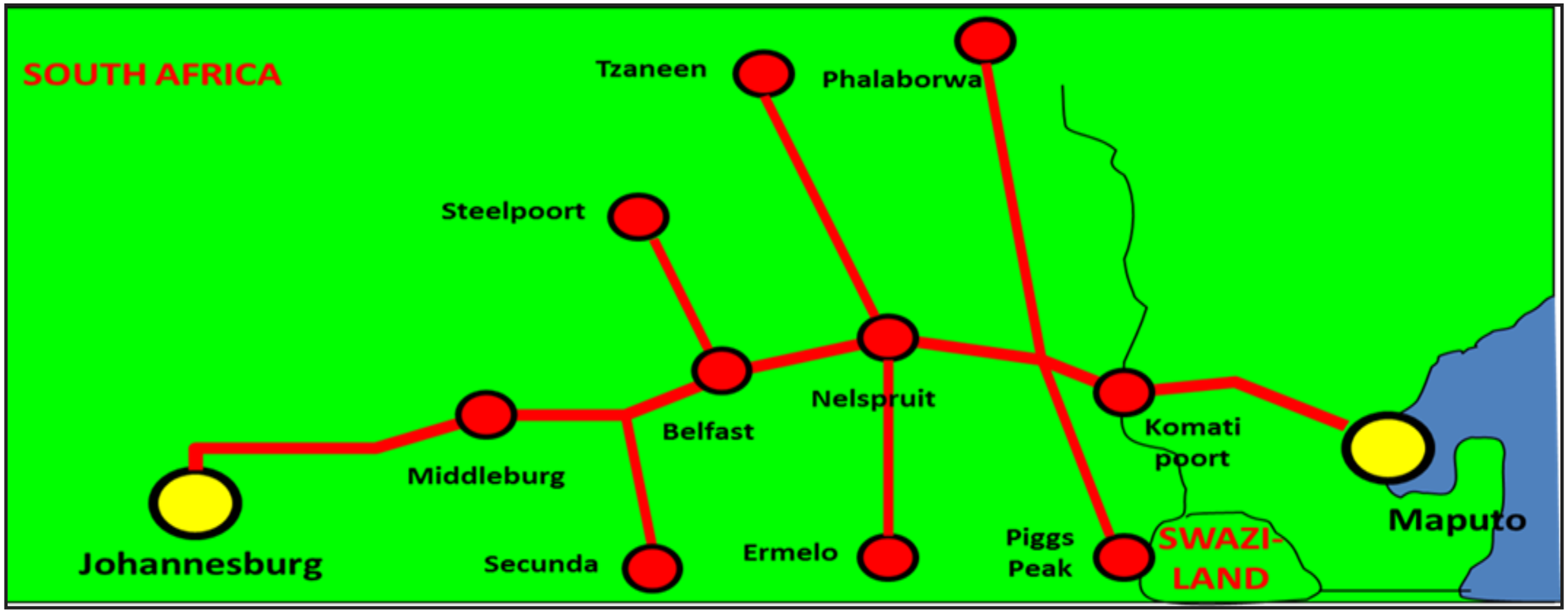
- Freight logistics and transport efficiencies
- Addressing bottlenecks to trade
- Lobby and Advocacy
- Engagement on Policy Development

# Our Mandate?

- Freight logistics and transport efficiencies
- Addressing bottlenecks to trade
- Lobby and Advocacy
- Engagement on Policy Development
- Communication & Marketing the Maputo Corridor

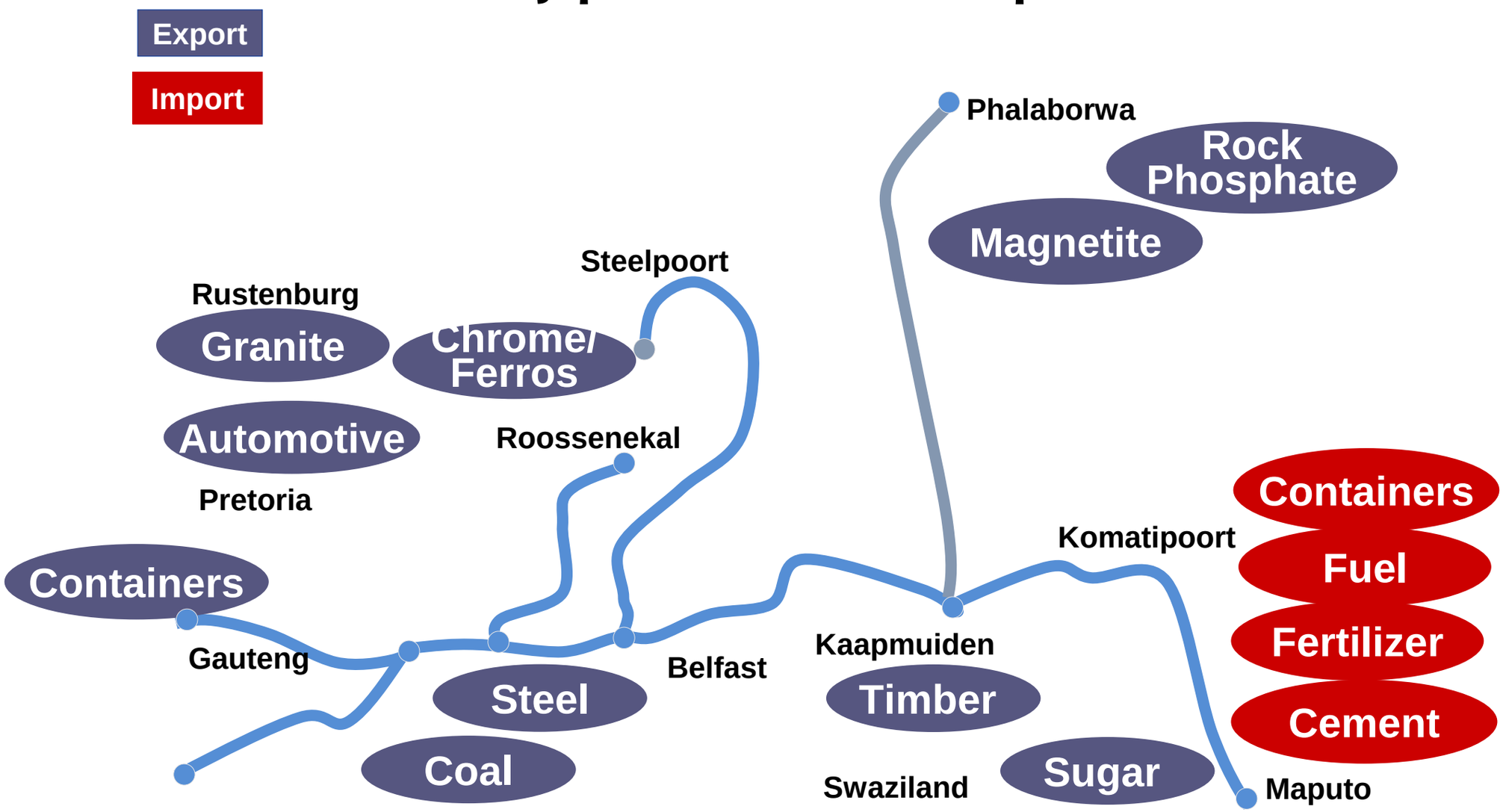
Bondo
Buta
Bumba
KISANGANI
Boende
UGANDA
KENYA
GABON
CONGO
DEMOCRATIC REPUBLIC OF CONGO
RWANDA
Bukavu
Mwanza
Arusha
BURUNDI
Bujumbura
Ilebo
KINSHASA
Matadi
Kananga
TANZANIA
Dar es Salaam
LUANDA
Malanje
ANGOLA
Dilolo
Lubumbashi
SEYCHELLES
COMOROS
Lobito
MALAWI
Lilongwe
ZAMBIA
Lumbala N'guimbo
Nacala
Namibe
Menongue
Lusaka
Blantyre
ZIMBABWE
Harare
Katima mulilo
Livingston
Qualimane
Tsumeb
Grootfontein
Bulawayo
Beira
NAMIBIA
MOZAMBIQUE
MADAGASCAR
MAURITIUS
BOTSWANA
Walvis Bay
Windhoek
Gaborone
Pretoria
Johannesburg
MAPUTO
SWAZILAND
INDIAN OCEAN
Maseru
LESOTHO
Durban
SOUTH AFRICA
CAPE TOWN
East London
Port Elizabeth
KEY
Main Railways
Main Roads

# THE MAPUTO CORRIDOR




| | Road | Rail |
|---|---|---|
| Johannesburg to Maputo | 581 | 590 |
| Mbabane to Maputo | 223 | 198 |

# Commodity profile of the Maputo Corridor



# Why the Revision?

**Existing agreement was signed in 1996**

# Why the Revision?

**Existing agreement was signed in 1996**

**It is a *bilateral* between South Africa and Mozambique**

# Why the Revision?

**Existing agreement was signed in 1996**

**It is a *bilateral* between South Africa and Mozambique**

**It excludes eSwatini (Swaziland)**

ZASZMZ

# Why the Revision?

**Existing agreement was signed in 1996**

**It is a *bilateral* between South Africa and Mozambique**

**It excludes eSwatini (Swaziland)**

# ZASZMZ

**Key focus was**

**1. Implementing the Spatial Development Initiative program**

# Why the Revision?

**Existing agreement was signed in 1996**

**It is a *bilateral* between South Africa and Mozambique**

**It excludes eSwatini (Swaziland)**

# ZASZMZ

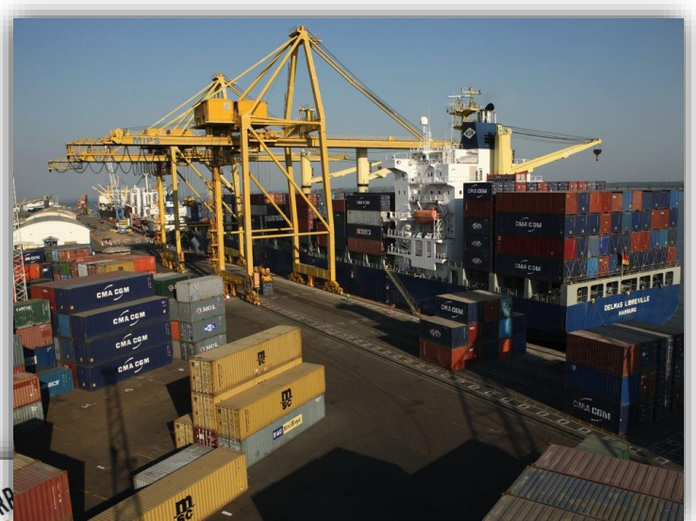
**Key focus was**

**1. Implementing the Spatial Development Initiative program**

**2. Infrastructure development and rehabilitation of trade and transport routes**

# Why the Revision?

## Infrastructure investment has exceeded $500billion since 1996



# Why the Revision?

**Existing MoU makes no provision for Corridor Management Institutional arrangements**

# Impact?

**Dependence on a handful of member contributions**

# Impact?

**Dependence on a handful of member contributions**

**Unsustainable financial model**

# Impact?

**Dependence on a handful of member contributions**

**Unsustainable financial model**

**Unable to deliver the required technical support to corridor stakeholders**

# Impact?

**Dependence on a handful of member contributions**

**Unsustainable financial model**

**Unable to deliver the required technical support to corridor stakeholders**

**Strong informal, but not *formal*, linkages between the MCLI structures and the established bilateral commissions**

# Impact?

**Dependence on a handful of member contributions**

**Unsustainable financial model**

**Unable to deliver the required technical support to corridor stakeholders**

**Strong informal, but not *formal*, linkages between the MCLI structures and the established bilateral commissions**

**Reporting and information channels are complex**

# Impact?

**Dependence on a handful of member contributions**

**Unsustainable financial model**

**Unable to deliver the required technical support to corridor stakeholders**

**Strong informal, but not *formal,* linkages between the MCLI structures and the established bilateral commissions**

**Reporting and information channels are complex**

**Reduced capacity**

# Impact?

**Dependence on a handful of member contributions**

**Unsustainable financial model**

**Unable to deliver the required technical support to corridor stakeholders**

**Strong informal, but not *formal*, linkages between the MCLI structures and the established bilateral commissions**

**Reporting and information channels are complex**

**Reduced capacity**

**Reduced efficacy**

# Impact?

# Enter the SSATP

**Project funded by the World Bank's Africa Transport Policy Program (SSATP)**

THE WORLD BANK
IBRD • IDA

SSATP
Africa Transport
Policy Program

# Enter the SSATP

**Project funded by the World Bank's Africa Transport Policy Program (SSATP)**

**Two Components:**

THE WORLD BANK
IBRD • IDA

SSATP
Africa Transport
Policy Program

# Enter the SSATP

**Project funded by the World Bank's Africa Transport Policy Program (SSATP)**

**Two Components:**

1. **Revised Memorandum of Understanding**

THE WORLD BANK
IBRD • IDA

SSATP
Africa Transport
Policy Program

# Enter the SSATP

**Project funded by the World Bank's Africa Transport Policy Program (SSATP)**

**Two Components:**

1. **Revised Memorandum of Understanding**
2. **Five year strategy for the corridor management institution which includes a financial sustainability plan**

THE WORLD BANK
IBRD • IDA

SSATP
Africa Transport
Policy Program

# Revised Draft Shifts Focus From Infrastructure to *Trade and Transport Facilitation*

**Trade and Transport Facilitation is defined as:**

*"**The** streamlining, simplifying and harmonising of international trade and transport procedures**, in order to allow for** easier flow of goods and trade at both national and international level. **It includes the** removal of all physical and non-physical barriers that hinder trade and transport **including laws, policies, regulations, systems and procedures."***

***Consulting Team 2017***

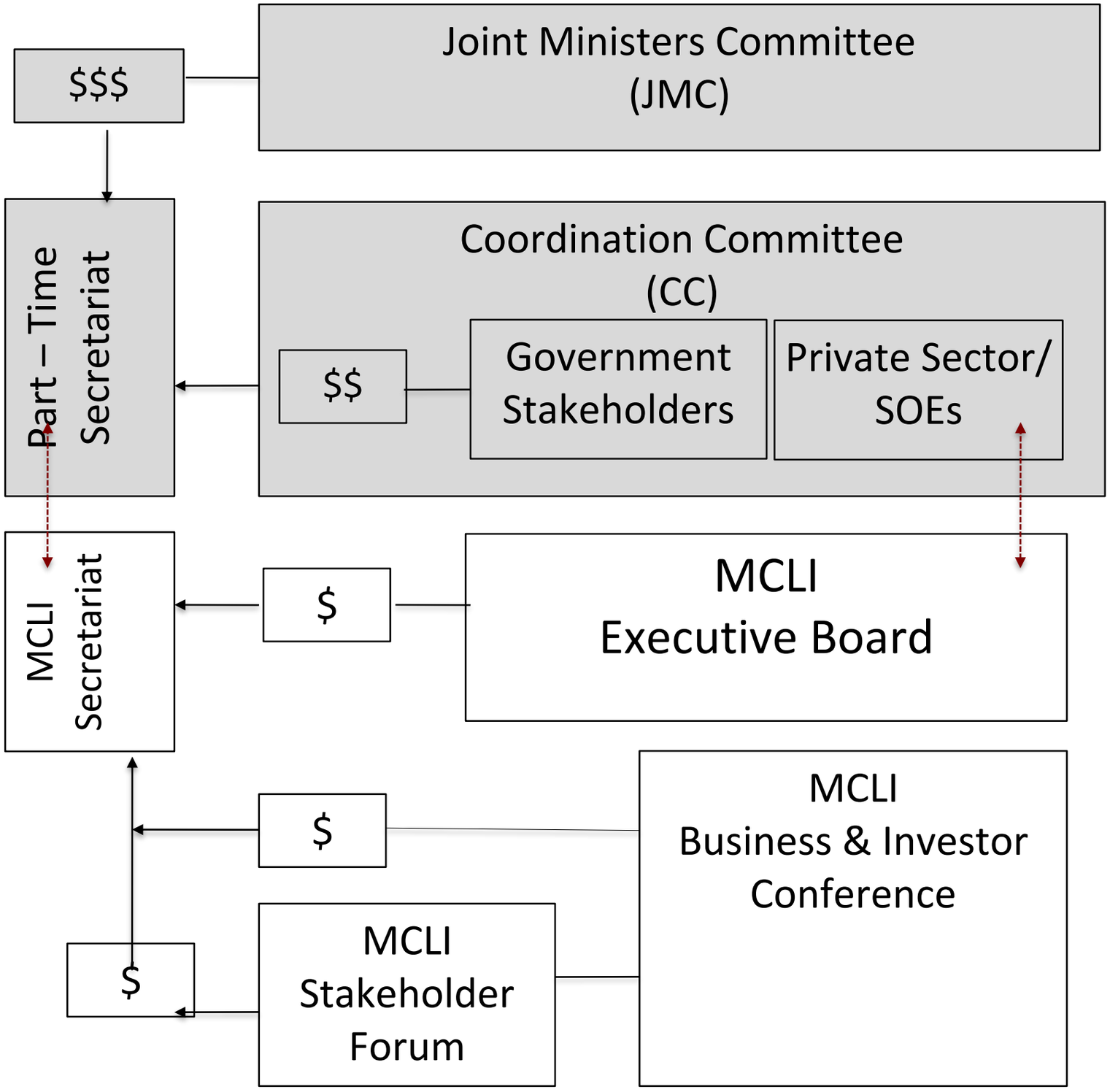
# Key Features of the Revised Draft

# Inclusion of the Kingdom of eSwatini in a Trilateral MoU

S ✓ M ✓ Z ✓

Z A

# Revised Draft Includes Proposals for the Institutional Arrangements



# Revised Draft Proposes Funding Mechanisms

**Includes various options:**

**User pay levy**

**Government Subventions**

**Membership fees**

**Project funding for once off or repeated projects**

**Donor funds for specific projects**

# Milestones

**April to September 2017**

**MCLI begins the discussions with the ministries of transport of the three corridor countries.**

**November 2017**

**Document presented to a side meeting of the SADC Ministers of Transport Meeting in Lilongwe, Malawi**

**May 2018**

**Study Tour to Northern Corridor to see a functioning Corridor Management Institution (2 senior reps from Ministries of Transport of Mozambique, Swaziland and South Africa, 2 MCLI Board members)**

**Process and timelines agreed**

# Next Steps

| | | |
|---|---|---|
| 30 June 2018 | Approval for the start of the MoU process by the Ministers of Transport | To ensure a mandate for amendments to the MoU by the relevant divisions of the corridor departments of transport |
| 31 August 2018 | Internal deliberations within the respective ministries of transport | To ensure policy and procedural alignment with the relevant divisions of the corridor departments of transport |
| 01 September 2018 | SADC Facilitation of the first technical meeting of the corridor governments | To enable technical staff of the ministries of transport of the three governments to deliberate on the content and process for the technical alignment of the MoU |
| 30 November 2018 | Engagements by ministries of transport with external stakeholders i.e. ministries, agencies, legal, provincial governments, etc | To ensure policy, procedural and content alignment with all government stakeholders and ministries in the development of a country position on the draft revised MoU |
| 31 January 2018 | SADC Facilitation of the second technical meeting of the corridor governments | To enable technical experts of the three government to agree on the content and to finalise a harmonised MoU for submission to the political process |

# Next Steps

**Government engagement on the draft revised MoU convened by SADC. Detailed discussions covering Content Process  Timelines Legalities etc…**

**Presentation to Cabinet**

**Ratification by Parliament**

**Signing of MoU**

# Strategic Plan

# Key Features

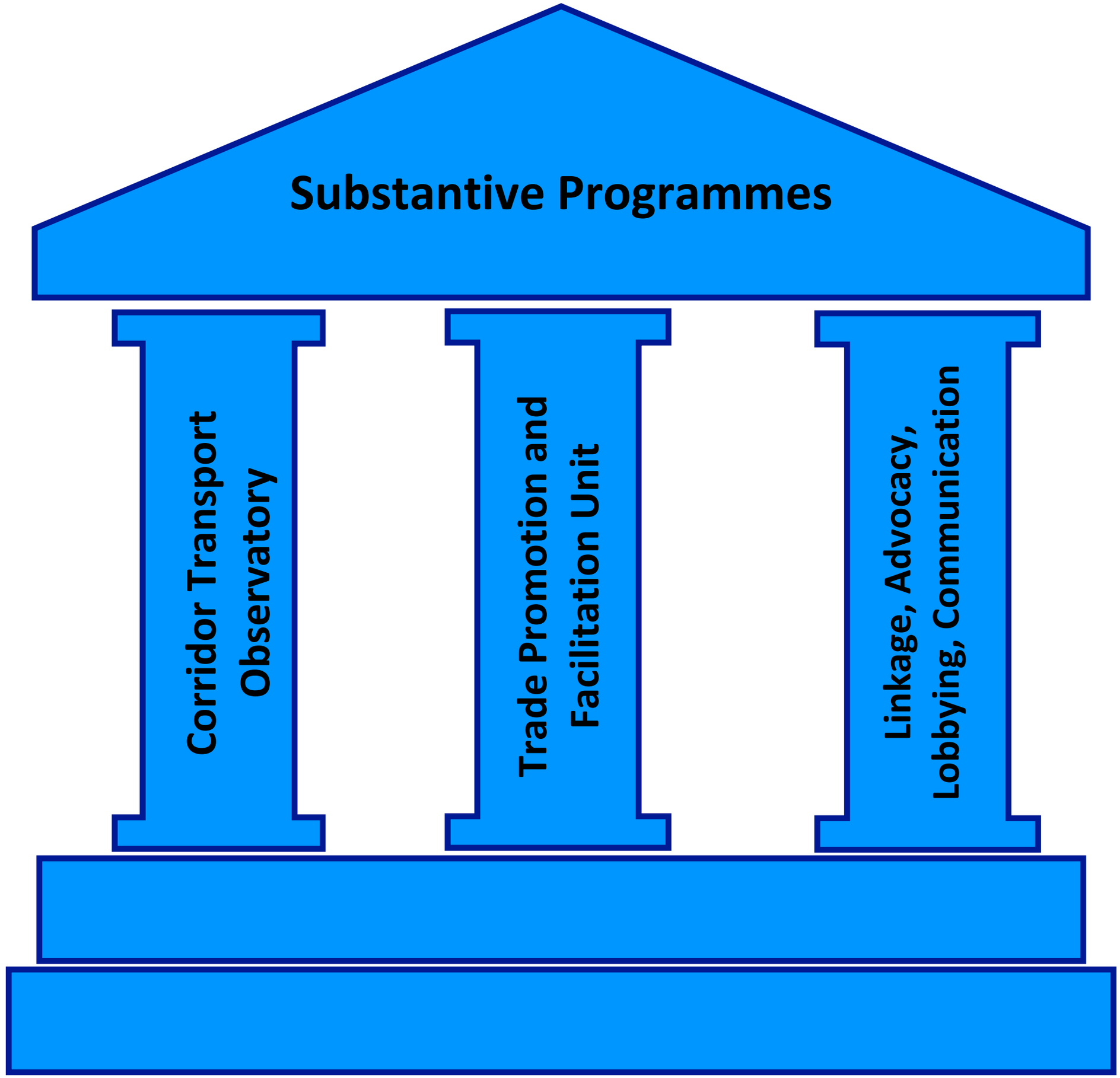
# Proposed Future Arrangements
# Mechanics of the Joint Government and Corridor Institution Structures

MAPUTO CORRIDOR LOGISTICS INITIATIVE
MCLI

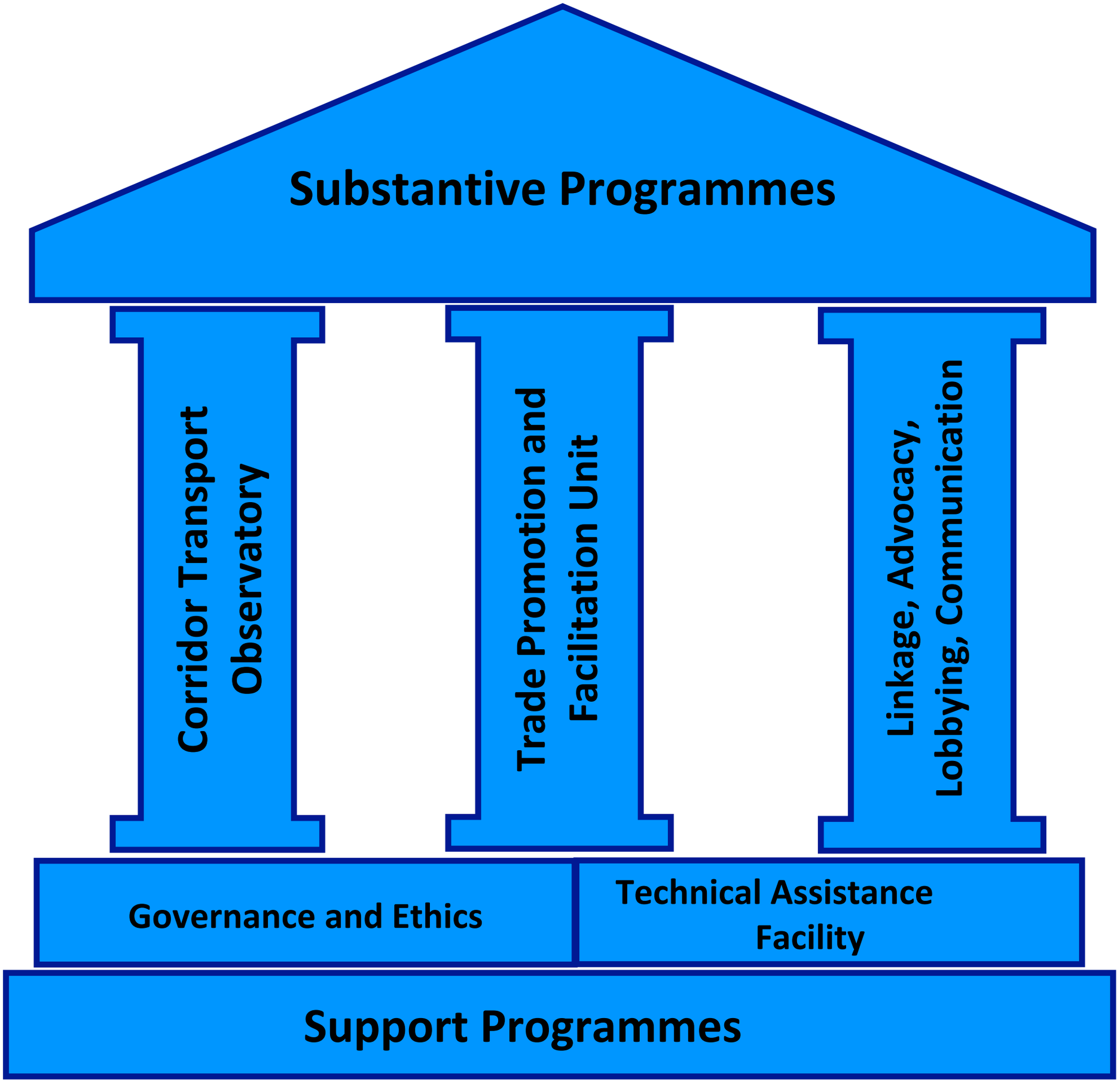
# Funding of the Corridor Management Institution

# Substantive Programmes to Enhance the Competitiveness of the Maputo Development Corridor

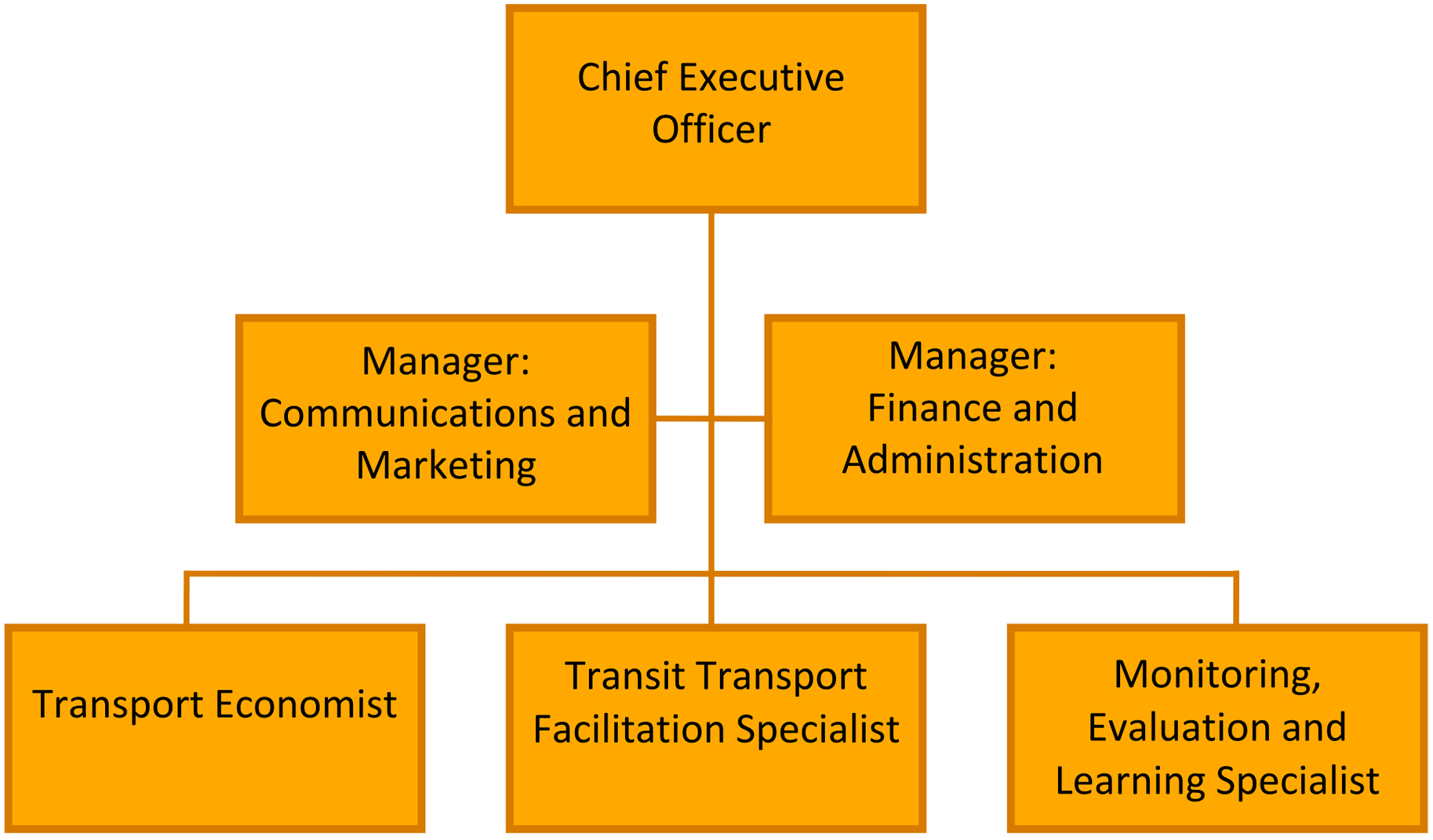
MAPUTO CORRIDOR LOGISTICS INITIATIVE
MCLI


Substantive Programmes
Corridor Transport Observatory
Trade Promotion and Facilitation Unit
Linkage, Advocacy, Lobbying, Communication

# Support Functions


Substantive Programmes
Corridor Transport Observatory
Trade Promotion and Facilitation Unit
Linkage, Advocacy, Lobbying, Communication
Governance and Ethics
Technical Assistance Facility
Support Programmes

# Redefined MCLI Organisational Structure




Source: Consulting Team 2017

# Thank You!

Barbara Mommen
+2783 555 6025
ceo@mcli.co.za
www.mcli.co.za