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

- Logistics: 32%
- Shipping: 12%
- Financial: 10%
- Services: 11%
- Manufacturing: 9%
- Consulting: 6%
- Clearing and Forwarding: 6%
- Mining: 4%
- Media and Communications: 3%
- Liquids & Petroleum: 3%
- Agriculture: 1%
- Insurance: 1%
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
THE MAPUTO CORRIDOR

<table>
<thead>
<tr>
<th>Road</th>
<th>Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johannesburg to Maputo</td>
<td>581</td>
</tr>
<tr>
<td>Mbabane to Maputo</td>
<td>223</td>
</tr>
</tbody>
</table>
Commodity profile of the Maputo Corridor

Export
- Steel
- Coal
- Automotive
- Granite
- Roossenekal

Import
- Containers
- Fuel
- Fertilizer
- Cement
- Rock Phosphate
- Magnetite
- Steel
- Chrome/Ferros
- Timber
- Sugar
- Gauteng
- Swaziland
- Pretoria

Swaziland
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)
Why the Revision?

Existing agreement was signed in 1996

It is a *bilateral* between South Africa and Mozambique

It excludes eSwatini (Swaziland)

ZASZMZX

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)

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 $500 billion 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)
Enter the SSATP

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

Two Components:
Enter the SSATP

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

Two Components:

1. Revised Memorandum of Understanding
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
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
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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2018</td>
<td>Approval for the start of the MoU process by the Ministers of Transport</td>
<td>To ensure a mandate for amendments to the MoU by the relevant divisions of the corridor departments of transport</td>
</tr>
<tr>
<td>31 August 2018</td>
<td>Internal deliberations within the respective ministries of transport</td>
<td>To ensure policy and procedural alignment with the relevant divisions of the corridor departments of transport</td>
</tr>
<tr>
<td>01 September 2018</td>
<td>SADC Facilitation of the first technical meeting of the corridor governments</td>
<td>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</td>
</tr>
<tr>
<td>30 November 2018</td>
<td>Engagements by ministries of transport with external stakeholders i.e. ministries, agencies, legal, provincial governments, etc</td>
<td>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</td>
</tr>
<tr>
<td>31 January 2018</td>
<td>SADC Facilitation of the second technical meeting of the corridor governments</td>
<td>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</td>
</tr>
</tbody>
</table>
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
Funding of the Corridor Management Institution
Substantive Programmes to Enhance the Competitiveness of the Maputo Development Corridor
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

Support Programmes

- Governance and Ethics
- Technical Assistance Facility
Redefined MCLI Organisational Structure
Thank You!

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