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WORKING TOGETHER TO MAKE THE MAPUTO CORRIDOR FIRST CHOICE FOR ALL STAKEHOLDERS  
TRABALHANDO JUNTOS PARA TORNAR O CORREDOR DE MAPUTO PRIMEIRA ESCOLHA

## Maputo Corridor Logistics Initiative

### PRESS RELEASE

EMBARGOED : 6<sup>TH</sup> AUGUST 2009 AT 15H00

### MCLI CHAIRMAN'S REPORT AS DELIVERED BY DR MATHEWS PHOSA IN MAPUTO ON 6<sup>TH</sup> AUGUST 2009

- His Excellency the Minister of Transport and Communications in Mozambique, Mr Paulo Zucula,
- The Honourable Minister of Transport in South Africa, Mr Sbusiso Ndebele,
- Representatives of the Diplomatic Community
- Members of the Executive Councils of Provinces,
- Mr Jorge Ferraz, Chairman of the Port of Maputo
- Honoured guests, ladies and gentlemen.

It is an honour and privilege to present this report to you this year on behalf of my co-chairman from Mozambique, Dr Antonio Matos and the board of directors of MCLI, and to the members and stakeholders present here today.

I would like to extend my sincere thanks to the Port of Maputo for hosting us here this afternoon, and for providing us with this unique venue for this event. I cannot think of any venue more appropriate for our 5<sup>th</sup> anniversary celebrations than this one. It is indeed the Port of Maputo, along with the other key infrastructure improvements on this corridor that has drawn the attention of the freight and logistics sector because of the major developments that have been happening here since 2003.

Ladies and gentlemen, I know I speak for Dr Matos when I say that being at today's meeting is a particular privilege because of the significance of this 5 year celebration in the life of this dynamic organisation which is MCLI. From truly small beginnings, this organisation has grown in stature and recognition in ways that have exceeded our expectations. This is due in the main to the ongoing support of MCLI's Foundation Funding members who have taken literally the challenge to "put your money where your mouth is" and have continued to contribute to the organisation through thick and thin.

It is also due to the sustained and collective effort of the valued MCLI members and varied cross section of corridor stakeholders who have worked with us to ensure that issues on this corridor are highlighted and brought to the attention of the right people in the right places. There is no doubt that the benefits of the many and various engagements at all levels across the public and private sector have accrued to all users of the Corridor.

A good deal of MCLI's success must also be attributed to the dedication of the CEO, Brenda Horne-Ferreira, who has unrelentingly taken the issues and causes of this corridor to every available forum and platform to ensure that MCLI's approaches and strategies are aligned with other, relevant strategies.

This organisation has succeeded in creating and maintaining lines of communication which have ensured that MCLI has been able to call on the assistance of the relevant people and partners at the highest level. In this regard, I must also extend my thanks to the public sector partners in Mozambique and South Africa who have shown their consistent commitment and willingness to address difficult issues and to work together with MCLI to ensure that matters are raised at the appropriate level and dealt with in ways which assist the users on this corridor.

The Maputo Corridor is a fine example of how a transport corridor has acted as a powerful instrument of regional integration and economic cooperation and we are delighted to be directly involved in seeing how this partnership across boundaries is working for the benefit of the countries involved. The opening up of economic ties could not have been achieved without the rehabilitation of vital transport infrastructure between the two countries.

The \$5billion investment in infrastructure since the inception of the corridor and the resultant capital inflows have provided sustained and continued economic growth on the corridor in recent years and has contributed successfully to improving the lives of the people on this corridor.

In celebrating these achievements, we need to focus more attention on the realization that, as globalizations spreads its wings, regional economies will have no choice but to seek synergies between its governments and economies. The future of the international economy lies in reciprocal, value-add partnerships across boundaries.

But today we celebrate 5 years of achievement of the Maputo Corridor Logistics Initiative. Amongst the many achievements of this organisation, there a few that bear mention here.

The first is that MCLI has succeeded in creating a highly successful multilateral, multi-stakeholder corridor institutional framework

The success of MCLI's first five years has certainly been as result of its proactive involvement with the corridor's public and private sector stakeholders in creating a platform for addressing the logistics constraints on the corridor. This has resulted in the organisation being recognized nationally, regionally and internationally as a model for transport corridor institutional frameworks and hence MCLI's reputation on the African continent a respected spokesperson for the Maputo Transport Corridor.

I would like to announce that MCLI will in future have a greater presence in Mozambique, and I believe that this is crucial to ensuring that the efforts of the organisation are taken to a new level on this side of the border.

MCLI also successfully established the secretariat for the formalized institutional framework of the Mpumalanga Freight Logistics Forum.

The second key achievement is that MCLI has successfully created a sound platform for engagement between the public and private sector

MCLI has succeeded in enabling the private sector to engage with the public sector on service delivery around constraints to the movement of cargo along the Maputo Corridor. In this, MCLI has succeeded in the development of key relationships and interactions with national and provincial stakeholders and role players in government and in the private sector in all three of the corridor countries of Mozambique, Swaziland and South Africa. This multilateral, multi-stakeholder platform has elevated the organisation to a point of being able to engage at the highest level to address issues on the corridor and renewing the awareness of the importance of cost effective, reliable, regular freight logistics to stimulate further investment and development.

One of our key public sector partners is the South African National Department of Transport who joined the organisation as a foundation funding member to establish a public private partnership in true spirit and word. The Mozambican Ministry of Transport and Communications continues to participate on the board of directors of MCLI in a non-executive capacity.

We look forward to our colleagues in Swaziland joining us in our efforts.

The third key achievement has been MCLI's creation of awareness of the viability of the Maputo Transport Corridor.

MCLI has, through its fine information dissemination strategy, been able, very successfully indeed, to create renewed awareness of the strategic importance of cost effective, reliable, regular freight logistics on the Maputo Development Corridor to stimulate further investment and development.

Through the efforts of the MCLI and other sister institutions we have jointly succeeded in pushing the Maputo Corridor higher on the agenda of local, national and international freight and transport platforms. The extent of the representation of MCLI's strategy and mission is evident from the numerous events which MCLI has been requested to address across Africa, Europe and the USA.

Proof of this growing awareness is a membership contingent of just over 150 stakeholders (including members, cooperative partners and non-executive director organisations) from Mozambique, South Africa, Swaziland, Zimbabwe and the Netherlands.

The fourth area of MCLI's success is in the creation of focused forums and engagement.

MCLI successfully rolled out the Focus Workgroup Forum project; a multi-lateral, multi-stakeholder engagement mechanism to communicate and address both the high level constraints such as the lack of sufficient rail capacity, the limited commercial cargo clearing hours at the border as well as the lack of a formalized institutional framework as well as operational efficiencies.

We have also set up a Transit Import Customs Committee which is in the process of engaging with Alfandegas to come up with workable procedures to ensure cost efficiency as well as risk management for our government to ensure we can promote the Port of Maputo and the Maputo Corridor as a bi-directional transit port and corridor, making it a regional alternative port.

The fifth area of success is one which has been achieved despite enormous and ongoing funding and sustainability challenges, namely a level of excellence in corporate governance.

MCLI has succeeded in sustaining excellent risk assessment and management standards, and successful succession planning, with high standards of governance applied to every area of our operation, including unqualified audit results.

This brings me to the issue of the financial sustainability of MCLI.

The organisation has, for some time, and through the assistance of the Southern Africa Global Competitiveness Hub in Botswana, been examining the alternatives available in terms of sustainable funding models for the organisation. We continue to be challenged in this area, particularly in the current economic downturn, and MCLI is no different to any other NGO in this respect. However, it is something that must be resolved and I call on the collective wisdom of stakeholders to work together to address this challenge.

Despite our achievements however, some key challenges remain. And no discussion of the Maputo Corridor would be complete without mention of the Border Post! MCLI is greatly encouraged by the recent meeting at the border post between the Mozambican and South African Ministers of Public Works, His Excellency Minister Zacarias and the Honourable Minister Doidge, which included the heads of customs of the two countries and the BCOCC counterparts. This meeting gave renewed commitment to the One Stop Border Post concept in spite of the current difficult economic environment.

While we have seen incremental improvements in the border post operating hours, and greater efficiency of clearing procedures, particularly at the Lebombo Border Dry Port (trucks can now report a 5 hour turn around time), and effective cooperation between the relevant authorities over peak periods, challenges still remain. This Corridor can only reach its full potential if considerable energy and focus is given to streamlining the current infrastructure and processes at the Lebombo/Ressano Garcia border post.

Another key area where this corridor faces a great challenge is rail. In every deliberation on this corridor, rail is raised as an issue of contention. I would like to call on our rail partners to look seriously at a revision of the pricing policies on our corridor. We cannot be competitive and efficient while the current status quo remains.

In closing, I would like to emphasize again the absolute importance of looking at the Maputo Corridor initiatives within the context of other regional and corridor initiatives within the region.

We should be sensitive to the fact that economies are becoming more and more integrated, and that we should seek, with all our energy, the alignment of regional development policies to both national and local planning initiatives.

We live in challenging times where prudent and co-operative partnerships across national boundaries will benefit the common agendas of social upliftment and job- and opportunity creation.

I thank you.