

PREFACE

This preface should be read in conjunction with Section 2 (Aims and Objectives) and Section 3 (Executive Summary) of the IDG Maritime Project Group's Feasibility Study, dated 5th September 2008.

This January the Government of Liberia, in conjunction with the World Bank, issued an Invitation for Expressions of Interest¹ from companies or consortia interested in entering into a Concession Agreement that would cover port facility rehabilitation, container and general cargo operations and marine services in the Freeport of Monrovia. The EoI also invited alternative proposals.

We set out here the main elements of an alternative approach which IDG is structuring. IDG was originally invited to put forward a proposal for a Public-Private Partnership for the Port of Monrovia (including the Freeport area) and to bring to the negotiating table a suitable corporate partner. The Feasibility Study reached two important conclusions:-

1. Crucial though the Freeport of Monrovia is to Liberia's economy, the bulk of Liberia's revenue earning exports will pass through the country's out-ports (Harper, Greenville and the commercial quay of Buchanan); and
2. Because of this and because management and operations in Liberia's ports are systemically inefficient, a holistic approach to the regeneration of Liberia's ports is required.

At the start of its work on the Feasibility Study, IDG identified a corporate investor, (the operator of a shipping company along the South and West African coasts and long-time investor in Africa). Current economic conditions have radically changed this situation. Nevertheless, IDG believes that:-

- a. The holistic approach remains the correct one for the overall benefit of Liberia's economy;
- b. With the positive support of the Liberian Government, IDG can structure a consortium to invest in Liberia's ports.

The key element of this structure is a strong commercial organisation with a committed interest in the efficiency of Liberia's. Delta Mining Consolidated of South Africa has expressed an interest in participating in this role in view of its interest in the award of the iron ore concession in the Western Cluster mining area of Liberia.

IDG, together with Zumax AG, seeks to attract other investors to the consortium, including those companies wishing to export through Liberia's out-ports, and shipping companies (with the possibility of the general cargo operations becoming a sub-set within the wider port reform programme).

In addition, IDG and Zumax have been encouraged to bring the project to the Overseas Private Investment Corporation (OPIC) in the United States. The IDG/Zumax consortium would also include Portia Management Services Ltd and the Nectar Group. Portia, the consulting arm of Peel Ports (Peel Holdings PLC), the owners of Liverpool, Clyde and Medway Ports in the UK, is able to provide operational expertise (as they have done in Maputo, Mozambique and other sites in the developing world) while Nectar will bring their bulk handling and technical management expertise.

IDG will provide an comprehensive education and training programme that will enable Liberians to take a full and active role in a new and regenerated National Ports Authority that will be capable of operating to international standards.

¹ Liberia's Port Sector Reform Program (www.portreform.gov.lr)