STUDY FOR THE ESTABLISHMENT OF A PERMANENT REGIONAL CORRIDOR DEVELOPMENT WORKING GROUP IN PMAESA REGION

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V. CONCLUSIONS
1.1. MOTIVATION OF THE STUDY

- PMAESA's vision is "To be a center of excellence in regional integration in transforming our ports into global competitive platforms for international trade."
- PMAESA has a work plan which encompasses the stakeholders and the regional integration agenda.
- It is in this line that it has benefited support from ECA to launch "The Linking Ports to Corridors Initiatives Programme" of which the present study is one of the three components.
- To facilitate a permanent dialogue between ports and transport corridors in ESA with the view of harmonizing activities for better effectiveness and operational efficiency of both ports and corridors.
- Although ports are integral and premier components of the global transportation chain (90% of the global cargo is seaborne), their development is incomplete without taking into account the entire supply chain.
- This include: transport infrastructure (port, rail, road, pipeline, information system), regional cargo tracking system, harmonization of regional customs etc... which are the main issues CMI are dealing with.
Motivation of the Study, Cont`d

• In regard to Corridor Development initiatives, there is a diversity of approaches and institutions in ESA differing from:
  ➢ Management institution ranging from state run authority to those that are private sector led;
  ➢ The founding instrument : Treaty, Agreement, MoU, protocol, Constitution etc…
  ➢ The funding arrangement : member fees contributions, Donor support, traffic-based usage fees etc…
  ➢ The level of private sector participation in corridor development infrastructure and management etc….
• Therefore, a need to search for the best practices in corridor development and related need to share experiences among Corridor Development Initiatives.
1.2. Objective of the study

• **To set up a consultative (PPP) mechanism capable:**
  - To co-ordinate, integrate and optimize various corridor improvement initiatives by the stakeholders of public, private sector and regional institutions with a view to achieving the necessary synergies and avoidance of unnecessary duplication;
  - To promote the quality and reliability of the transport infrastructure and other logistic services through advocacy for interventions by Member States;
  - To promote exchange of experience between corridor authorities, regional economic organizations and stakeholders;
  - To monitor the performance of regional corridors through established Observatories, and target performance indicators measured against best practices in similar regional and international corridors;
  - To provide support for corridor activities through relevant and processed data and business information;
  - To enable dialogue between private and public sectors at national and regional level on corridor issues.

• **The mechanism would serve as a resource and know-how center to partner with decision makers, industry and development partners.**
1.3. Methodology

- A review of extensive literature and relevant published documents on corridors and ports activities;
- Interviews with selected key stakeholders involved into ports and corridors management on following issues:
  - The **Objective** of the proposed Corridor Development WG;
  - The **issues to deal** with: consultation on *institutional challenges* (private sector participation in CM, sustainable funding mechanism etc…), cooperation on *operational challenges* (OSBP, customs integration, transit transport facilitation instruments etc…)
  - The **institutional design** proposed as rather a **mechanism** than an institution to ensure easy cooperation with existing inter-corridor initiatives and avoid overlapping
  - The **role and functions** of the proposed WG
  - The **membership** proposed as a PPP approach with private sector encouraged to interact and invest in economic development processes on corridors.
Methodology, cont`d

- Description of each corridor through various aspects with emphasis and interest to highlight **experience** and/or **best practices** that such corridors have achieved in terms of:
  - Strengthening of institutional capacity through enhanced Private and public sector involvement in corridor development;
  - Integration of economic development approach (SDI) in transport corridor management
  - Dealing with “bottlenecks” (NTBs, NPBs) to transport in particular and to trade facilitation in general
  - Integrated infrastructure development along the corridor: port, rail, pipelines etc…
  - Financial sustainability
  - Facilities and performance of the port serving the corridor

The interest of this approach is to identify those “**Champions Corridors** in above expected achievements and also those corridor development activities that would require support from such mechanism (**Lessons learnt**).
1.4. Coverage area
1.5. Definitions

• Corridors can be defined as a collection of routes linking several economic centers, countries and ports. While some are only road transport corridors, most of them include more than one mode of transport.

Specifically:

• “A Transport Corridor is a multi-modal corridor connecting two points of economic activity (together with as many places of economic concentration as possible along its length) as reliably and as cost effectively as possible. Its primary focus is on economic efficiency rather than economic distribution and it should ideally provide users with transport choices.”

(Source: RSDI Technical Unit definition).
The ultimate goal of setting up a transport Corridor is to transform the latter into “Development Corridor” which is characterized by the integrated nature of its programs and typically focuses on the upgrading of transport and energy infrastructure and the crowding-in of investment, initially in those sectors in which the potential exists to develop anchor sectoral economic projects and subsequently into related sectors that bring about integrated development at local and regional level. Development Corridor are usually medium-term initiatives involving multiple stakeholders working towards a series of inter-related goals to bring about local and regional economic development. (Source: RSDI Technical Unit Definition).

The Economic Corridor approach “recognizes” that Development is not just a matter of infrastructure improvement but that the latter needs to be integrated with other economic opportunities such as trade and investment and include efforts to address social and other impacts arising from increased connectivity. (Source: Paulo Jorge Fernandez/PDNA/Econogistics, March 2010)
Arnol, Olivier and Arvis (2005) state that the quality of a corridor is measured in terms of transit time and cost for shipment of goods along the corridor. The reliability of a corridor is measured in terms of not only the transit time but also the flexibility provided in terms of diversity of services offered on multimodal routes.
II. Overview of Corridors on study

Main characteristics of a Transport corridor:
1. The Port serving the corridor (facilities, equipment, capacity, performance and challenges);
2. Transport infrastructure: road, rail, pipelines, inland waterways, ICDs
3. Border posts
4. Facilitation mechanism;
5. Institutional framework
6. Funding mechanism
7. Main projects in pipeline
2.1. Djibouti-Ethiopia Corridor

- A network of multi modal routes which link the Indian Ocean port of Djibouti to landlocked Ethiopia.
- The port of Djibouti is the main entry point and experiences today increased maritime traffic following the Ethiopian demand essentially.
- Djibouti lies on the maritime superhighway between Asia, Europe and the Americas.
- The Corridor is a strategic bridge between Africa and the Middle East – trade, transport and communications hub.
Djibouti corridor

[Map of the Djibouti corridor showing key cities such as Juba, Lodwar, Gulu, and Addis Ababa, with routes and corridors highlighted.]
2.1.1 The port / Djibouti

- Container Terminal at Doraleh
  - 18 meters deep
  - 1052 meter quay
  - 1.2 million TEU annual capacity
  - 30,000 TEU storage yard
  - 6 post-Panamax ship to shore gantry cranes
  - Latest terminal and yard information technologies
  - Capable of 54 moves per hour, average is 35 moves per hour
  - Operated by DP World

Designed as a regional Transshipment hub.

*Second phase designed to increase to 3 million TEUs per annum.*
Other port facilities

- Dedicated Oil Terminal
- Three dry bulk terminals with aggregate handling capacity of 12,000 tones per day
- General Cargo berths for RoRo, multi-purpose, livestock and passenger vessels.
- New grain and fertilizer terminal built in 2006 with storage and bagging facilities.
- Old terminal is being redesigned now for more effective handling of dry bulk and general cargo.
- Transshipment criteria: access – depth, 24-hr operations, fast turnaround, good business environment, competitive prices etc…
2.1.2. Road sector

- Dominant mode on the corridor
- Main route through Galafi is 910 km with gradual ascent.
- Alternative route through Ali Sabieh is 840 km
- Portion in Djibouti and Ethiopian not paved.
- Paving is on the road plan for both countries, but not done as yet.
2.1.3 Rail sector

- The Ethio-Djibouti Railway, completed in 1917 and jointly owned,
- It is meter gauge, single track with over 187 steel bridges and a long tunnel.
- Railway main service is only between Djibouti and Dire Dawa and is off taking less than 3% of the total cargo on the corridor.
- The Ethiopian Railway Corporation is negotiating a contract for the construction of a standard gauge railway from Djibouti to Addis and plans later regional extensions within the country and to Ethiopian borders.
- MoU with Kenya regarding linking standard gauge development in consideration in Kenya and Uganda.
2.1.4. Transit regime

- 2002 Agreement between Djibouti and Ethiopia allows permanent access to the sea, for Ethiopian Customs to conduct inspections at the port and for goods to move inland without escort or transit fee.
- Clearance from the port takes 2-8 days.
- Border crossing takes about 30 minutes.
- Ethiopian customs needs to further automate its procedures for a more seamless clearance procedure.
Transit regime cont`d

**ICD**: Inland Container Depots

- Ethiopia created the Dry Port Services Enterprise for the development of strategically placed dry ports.
- Feasibility Study identified viability and locations.
- First two opened at Modjo and Semera.
- ICDs are part of a larger logistics plan which also includes improved border posts and a network of freight depots.
2.1.5. Corridor Institution

• Djibouti – Ethiopia Corridor has not a formal institutional framework.
• Transit and transport issues are dealt through ad hoc Bilateral Committees.
• It is however felt that the implementation of measures agreed on transit and trade facilitation between two meetings suffer from a lack of follow up.
• Setting up a Corridor Management Group or Committee would be dealing among others with following:
  – Facilitating removal of non physical barriers in Customs clearance procedures in Djibouti port
  – Advocating for infrastructure improvement (Railway sector);
  – Monitoring corridors’ performance
  – Setting up stakeholders network
2.1.6. Major infrastructure projects on the corridor

- **Port projects:**
  - Rehabilitation of the Old port
  - Extension of rail to Doraleh CT and Horizon Oil terminal
  - Expansion of the Doraleh Container Terminal towards a capacity of 3 mn TEUS p/a by DP World
- **Road projects:**
  - Paving of the road between Meisso-Dire Dawa-Dewele
  - Ali Salieh-Guele road upgrade
  - Development of effective truck staging area and effective truck appointment system in the port of Djibouti
- **Rail projects:**
  - Rehabilitation of Ethiopia-Djibouti railway
  - PPP for a standard gauge railway network for Ethiopia
- **Facilitation projects:**
  - Making Galifi and Dewele-Guelle Border posts a OSBP
  - Full implementation of the Dry Ports at Madjo and Semera
  - Review of Customs reform
  - Automation of License and Permit system
2.1.7. Lessons learnt

- **Best Practices**
  - A corridor without road blocks
  - 10 years experience of port concession with DP World is successful
  - The Djibouti Hub project is based on a PPP practice in the management of port and airport sectors and in the development of free zones
  - Incentives for foreign investors (fiscal and non-fiscal)

- **Challenges**
  - Setting up a permanent institutional framework
  - Involvement of Private sector in dealing with corridor issues
  - A bilateral approach to develop railway sector as per SA/Mozambique model through CFM and Spoornet cooperation.
2.2. Northern Corridor

Main Characteristics of the Corridor:

- Mombasa Port: the gateway to eastern and central Africa
- Road network of 7000 km of which only 60% is paved.
- A four lines Railway network of 1890 km rather in poor condition
- A Pipeline from Mombasa to Nairobi extended to Kisumu
- Inland waterways of Lakes Victoria, Tanganyika, Albert and Edward

- A facilitation mechanism: NCTA, a multilateral treaty (5 countries) governing transit transport operations along the corridor being implemented by NC-TTCA.
2.2.1. Mombasa Port

The port of Mombasa is managed by KPA and the function of KPA is to provide the following services to its customers:

- Marine services, pilotage, towage, mooring, dry docking;
- Aids to navigation, maintenance of channel and turning basin;
- Stevedoring and Shorehandling services of containers, general cargo, dry bulk, oils and bulk liquids;
- Landbased services, including railheads, road links and inland container depots;
- Reception of cruise passengers; and,
- Short-term warehousing.
Port facilities

Operationally, these services are provided in the following functional zones:

- Old Port (Dhows and general merchandise);
- English Point and Mbaraki wharves (bulk);
- Dockyard;
- Lighter Wharf Area (vehicle storage);
- Berth Nos.1 and 2 Cruise Terminal and RORO Operations;
- Berth Nos.3 (grain bulk);
- Berths Nos. 4 to 5 (general cargo and containers);
- Berths Nos. 7 and 8 (general cargo);
- Berths Nos. 9 and 10 (soda ash, vegetable oils, general cargo);
- Shimanzi Oil Terminal (liquid bulk);
- Berths Nos. 11 and 12 (general cargo, dry bulk);
- Berths Nos. 13 and 14 (containers, dry bulk, general cargo);
- Berths Nos. 16 and 18 (containers); and,
- Kipevu Oil Terminal (liquid bulk).
<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IMPORTS ('000' DWT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Containerized Cargo</td>
<td>2,645</td>
<td>2,970</td>
<td>3,761</td>
<td>3,959</td>
<td>4,086</td>
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<td>Conventional Cargo</td>
<td>1,009</td>
<td>1,129</td>
<td>1,105</td>
<td>1,020</td>
<td>1,349</td>
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<tr>
<td>Dry Bulk</td>
<td>2,128</td>
<td>2,344</td>
<td>2,722</td>
<td>2,891</td>
<td>4,641</td>
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<tr>
<td>Liquid Bulk</td>
<td>4,918</td>
<td>5,403</td>
<td>5,474</td>
<td>5,441</td>
<td>6,431</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>10,700</td>
<td>11,846</td>
<td>13,062</td>
<td>13,311</td>
<td>16,507</td>
</tr>
<tr>
<td>of which Transit In</td>
<td>3,202</td>
<td>3,473</td>
<td>4,042</td>
<td>4,471</td>
<td>4,612</td>
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<td><strong>EXPORTS ('000' DWT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Containerized Cargo</td>
<td>1,680</td>
<td>1,625</td>
<td>1,934</td>
<td>1,996</td>
<td>1,952</td>
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<tr>
<td>Conventional Cargo</td>
<td>139</td>
<td>185</td>
<td>168</td>
<td>299</td>
<td>269</td>
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<tr>
<td>Dry Bulk</td>
<td>286</td>
<td>313</td>
<td>205</td>
<td>200</td>
<td>62</td>
</tr>
<tr>
<td>Liquid Bulk</td>
<td>173</td>
<td>132</td>
<td>167</td>
<td>190</td>
<td>167</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,278</td>
<td>2,255</td>
<td>2,474</td>
<td>2,685</td>
<td>2,450</td>
</tr>
<tr>
<td>of which Transit Out</td>
<td>334</td>
<td>335</td>
<td>381</td>
<td>404</td>
<td>368</td>
</tr>
<tr>
<td><strong>TOTAL IMPORTS &amp; EXPORTS</strong></td>
<td>12,978</td>
<td>14,101</td>
<td>15,536</td>
<td>15,996</td>
<td>18,957</td>
</tr>
<tr>
<td>Transhipment ('000' DWT)</td>
<td>303</td>
<td>318</td>
<td>426</td>
<td>419</td>
<td>105</td>
</tr>
<tr>
<td><strong>TOTAL THROUGHPUT ('000' DWT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Container Traffic (TEU's)</td>
<td>436,671</td>
<td>479,355</td>
<td>585,367</td>
<td>615,733</td>
<td>618,816</td>
</tr>
<tr>
<td>Total Vessel Calls (No.)</td>
<td>1,731</td>
<td>1,857</td>
<td>1,811</td>
<td>1,686</td>
<td>1,748</td>
</tr>
</tbody>
</table>
Factors of 2009 performance

- Port of Mombasa 2009`s Throughput increased by 16.1% in 2009 to 19.06 million tons from 16.42 million tons in 2008.
- The increase was mainly attributed to improvements in productivity arising largely from automation of port operational processes.
- KPA entered into business partnership arrangements with seven CFS (Container Freight Stations) within its vicinity, thereby facilitating quick and efficient evacuation of containers from the port. This has subsequently improved productivity:
  - The turn-round time of vessels dropping drastically from 5.1 days recorded in 2008 to 3.1 days in 2009.
  - The average container Dwell time also declined from 12.1 days to 6.0 days.
  - The container yard has also been extended with an additional stacking space of 30,000 m2.
Corridor Localization

Source: NC-TTCA
### 2.2.2. Road network

<table>
<thead>
<tr>
<th>Country</th>
<th>Paved</th>
<th>Unpaved</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>320</td>
<td>36</td>
<td>356</td>
</tr>
<tr>
<td>DR Congo</td>
<td>721</td>
<td>1960</td>
<td>2641</td>
</tr>
<tr>
<td>Kenya</td>
<td>1196</td>
<td>0</td>
<td>1196</td>
</tr>
<tr>
<td>Rwanda</td>
<td>814</td>
<td>0</td>
<td>814</td>
</tr>
<tr>
<td>Uganda</td>
<td>1042</td>
<td>657</td>
<td>1669</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4093</strong></td>
<td><strong>2613</strong></td>
<td><strong>6706</strong></td>
</tr>
</tbody>
</table>

**Percentage**

- Paved: 61%
- Unpaved: 39%
- Total: 100%

*Source: NC-TTCA*
2.2.3. Rail network

The Northern Corridor railway network comprises of:

- The Kenya/Uganda sections, which runs from Mombasa through Nairobi, Nakuru, Eldoret, Malaba, Jinja, and Kampala to Kasese in West Uganda (a distance of approximately 1660 km).
- A branch line runs from Nakuru to Kisumu on Lake Victoria (217 km), from where there is a wagon ferry link with Jinja and Port Bell in Kampala.
- Out of 1890 km, almost 800 km, representing 42% is in rather poor condition.
- The most affected sections are Nakuru-Kisumu (217 km), Malaba-Kampala (251 km) and Kampala-Kasese (333 km) which is closed since 1998 due to its state of disrepair.
- As a result, Rwanda, Burundi, Eastern DRC and Southern Sudan which depend on the Mombasa port for their overseas trade have no links with the East Africa railway system.
- The railways account for merely 15-20% of transport market along the Northern Corridor.
Map of EA railway network

Source: NC-TTCA
2.2.4. Pipeline

• Transport by pipeline is limited today between Nairobi and Mombasa extended to Kisumu and Eldoret from where landlocked countries of Uganda, Rwanda, Burundi and East DRC access their fuel supplies.

• The pipeline requires to be extended to effectively meet the fuel demand of those countries.

• The line Eldoret – Kampala- Kigali is under implementation course while the extension to Bujumbura is being planned.
Inland Waterways

Source: NC-TTCA
2.2.5. Inland waterways

- Lakes Victoria, Tanganyika, Albert and Edward are used for transportation of goods inside and outside NC-Member States.
- The Congo River also plays an important role in transportation.
- The navigability of Kagera river needs to be explored.
- These inland waterways are crucial for multi-modal transport chain since they complement other modes of transport in the sub-region.
- Therefore there is need to mobilize financial resources in order to improve inland transport network.
2.2.6. Facilitation Mechanism: NCTA

- The “Northern Corridor Transit Agreement (NCTA)” is signed in 1985 and entered into force on 28 May 1986, following its ratification by all the four contracting States.
- In 1987, the DR of Congo acceded to the NCTA thereby becoming the fifth contracting State.
- A revised NCTA with provision for the transformation of the corridor into Economic Development Corridor was signed in Nairobi in October 2007.
Objectives of the NCTA

• Ensure freedom of transit among the member states
• Safeguard right to access to/from the sea for landlocked countries
• Develop and integrate the regional transport facilities and services
• Facilitate inter-state and transit trade

The Northern Corridor is the only one in the East, Central and Southern African region with a multilateral treaty governing transit transport operations between a group of countries over access to and from the sea.
In order to ensure implementation and compliance with the provisions of the NCTA, the *Northern Corridor Transit Transport Coordination Authority (NCTTA)* was established with three basic organs, namely:

- **The Authority**, constituted by Ministers responsible for transit transport matters in each Contracting State; it is the main policy organ;
- **The Executive Board** comprising the Permanent Secretaries responsible for transit transport matters, acts as the administrative and executive organ
- **The Permanent Secretariat**, located in Mombasa, Kenya is the operational organ of the NCTA
- Two specialized committees have been established, namely: *Infrastructure Development and Management Committee* and the *Customs, Trade and Transport Facilitation Committee*.
- In addition the *Northern Corridor Stakeholders Consultative Forum*, which brings together users and service providers (both private and public) along the corridor exists since 1999.
Mission of NC-TTCA

• To transform the Northern Corridor into an Economic Development Corridor;
• To harmonize and streamline policies and legal framework on transport and trade facilitation, among its member States
• To improve transport and communication infrastructure and services along the corridor, relating to all modes of surface transportation;
• To enhance knowledge management and monitoring of corridor performance
• To incorporate crosscutting, which include HIV/AIDS and anti-corruption strategies into TTCA programs
Achievements of NC-TTCA

Since its inception, TTCA has undertaken various measures aimed at facilitating the smooth flow of cargo and the movement of vehicles along the Corridor:

- Simplification of Port clearance procedures. Release of landed cargo from the Port of Mombasa can now be achieved within 2 days, down from an average of 7 days, following a review of documentation and clearance procedures at the Port.
- There has been a significant reduction in the number of national documents and copies to which transit transport along the Corridor was subjected to.
- Northern Corridor countries are now using the COMESA Customs Declaration Document (CD-COM), a merger of the Road Transit Customs Declaration (RTCD) formulated by TTCA and the Single Goods Declaration (SGD) by COMESA.
- Work continues towards the withdrawal of the remaining national documents that are still used alongside the CD-COM.
NC-TTCA achievements, cont`d

- Transit time between Mombasa / Kenya and Bujumbura/ Burundi, has been reduced by half, from over 30 days to about 15 days, as a result of transit facilitation measures undertaken.
- Some unnecessary border formalities along the Corridor have been removed.
- Reduction of transit charges and elimination of some non-tariff barriers.
- Mobilization of funding for the rehabilitation of major highways along the Corridor.
- Harmonization of transit charges.
- Harmonization of axle load limits
- Enhanced cooperation among its member States in matters concerning transit transport
Funding Mechanism of the NC-TTCA

• When the NC-TTCA was established, all member countries used to make equal contributions to the Organization`s budget.
• This mechanism did not prove efficient as arrears accumulated.
• Over several years (December 2003), the Executive Board adopted a formula, which would apportion the annual budgets as follow:
  • Burundi : 10%
  • DR Congo : 20%
  • Kenya : 30%
  • Rwanda : 15%
  • Uganda : 25%
Funding Mechanism, cont`d

• The payment mechanism is either by direct contribution (through Treasury) or by tonnage levy collected at the port of entry Mombasa. Kenya is the only State that opted to pay from the Treasury.

• With regard to cargo to and from non-member States (Tanzania, Sudan, Ethiopia) passing through Mombasa port, it was agreed that the Secretariat would propose a levy rate for the consideration of the GoK and the KPA.

• While not perfect, this process has improved funding safety for the NC-TTCA, but is not yet confirmed on a permanent basis.
Many challenges remain to be addressed to reduce the high transport cost and the freight tariff per ton/km along the corridor.

- It is indeed estimated that the freight cost represents 35-40% of imports value compared to 8% in Europe and 11% in Africa.

- The freight tariff is calculated at:
  - 0.12 USD/ton/km for East DRC,
  - 0.11 for Burundi,
  - 0.090 for Rwanda while it is only
  - 0.04 USD per ton/km in Kenya (NC-TTCA, 2008).
2.2.7. Lessons learnt from NC-TTCA

- The Northern Corridor is an interstate body that has been particularly effective in driving the implementation of regional transit regimes at national level: COMESA Transit transport facilitation instruments
- The private sector stakeholders is now involved through a Consultative Forum and is likely to improve the operational dynamics of the TTCA
  - However, the decision making is still colored with some political considerations which can slow down the pace of implementation of activities.
2.3. Central Corridor
Central Corridor

The Central Corridor is an Institutional arrangement modeled along the lines of the NC-TTCA.

The Central Corridor comprises:
• The Port of Dar-Es-Salaam,
• The Dar-Es-Salaam-Kigoma 1,254 km long railway which interfaces with water transport on Lake Tanganyika to Bujumbura and DRC
• As well as a road route linking Dar-Es-Salaam through Dodoma, Singida, Nzega and Lusahunga to Rwanda and Burundi.
Port Characteristics

• 11 berths total of which 4 are devoted to containers
• Grain terminal-30,000 t
• Oil terminals
• 2009 :355 000 TEUs
• Over 9 million tonnes total
• 84% container terminal occupancy
• 12 days dwell time for containerized imports
• Container ship turnaround time is 4.4 days
Port constraints

- Insufficient berth area, affecting wait time in channel and off loading efficiency
- Inadequate storage area, affecting locating of cargo and off take by truck and rail
- Container terminal encroaching on general cargo area, which is more shallow
- Access to port is congested as well as the city in general
- Need completion of community based system to coordinate operating and regulatory procedures at port
Road infrastructure

**Tanzania**
- Provides route to Northwest and areas of mineral development.
- Entire road will be paved by end of 2010 and in good condition.
- Paving has begun between Tabora and Kigoma

**Landlocked countries**
- Provide route to Burundi, Rwanda, Uganda and eastern DRC with only one border.
- Improvements planned for roads in Burundi, Rwanda and sections in Uganda.
- Rwanda has made 7 meters the national standard.
- New 2-lane bridge being built at Rusumo between Tanzania and Rwanda.
Rail infrastructure

- The concession for Tanzania Railways Limited is being ended and management returned to GOT.
- Improvements and possible transitional management contract being considered.
- Railway is essential to many planned development projects and more cost-effective service from the land locked countries.
- Proposed railway extension to Rwanda and Burundi is affected by plan adopted for the core network. Issues of gauge change are also involved.
- Rail is also essential to multimodal systems on Lake Tanganyika and Victoria.
Border posts

- One stop border posts being introduced at all major corridor crossing between:
  - Tanzania – Burundi
  - Tanzania – Rwanda
  - Rwanda – DRC (Goma)
  - Tanzania – Uganda

- Further implementation of the Customs Union should simplify border requirements

- Customs reform is reducing time spent on customs clearances at border and final clearance point
Facilitation: The CCTTFA

- Institutional arrangement modeled along the lines of the NC-TTCA.
- In 2006 Tanzania, Uganda, Burundi, Rwanda and DRC signed a multilateral agreement to form The Central Corridor Transit Transport Facilitation Agency (CCTTFA) with the following objectives:
  - Ensure that the Corridor is efficient and cost-effective;
  - Market the corridor with a view to increase its utilization;
  - Support infrastructure planning and operations on the corridor through proactive collection, processing and dissemination of traffic data, analysis of competitive corridors and business information;
  - Promote sustainable maintenance of infrastructure;
  - Encourage the implementation of improved customs transit procedures and the implementation of joint customs controls and juxtaposed customs offices at land borders and seaports;
  - Cooperate, where appropriate, with regional bodies with similar objectives.
Organs of the CCTTFA

• The Interstate Council of Ministers
• The Executive Board
• The Stakeholders Consultative Committee
• **A Secretariat** headed by an Executive Secretary. The Secretariat is based in Dar-Es-Salaam.
• Among the technical staff of Secretariat is a Customs expert, a civil engineer, a business officer and an accountant.
The funding mechanism

- The start-up costs of the CCTTFA Secretariat were provided by the African Development Bank.
- The AfDB has funded the Secretariat activities for three years since 2007.
- The agreed future funding mechanism is based on each country contributing equally using an agreed method and procedures for joint funding.
- It is also expected that development partners will continue to support.
- The financial model is such that the costs of attending the meetings shall be borne individually by corridor members.
2.4. Dar-Es-Salam Corridor

The Dar Es Salaam Corridor comprises:

- (1) The port of Dar Es Salaam;
- (2) The TAZARA rail line from the port to Kapiri Mposhi in Zambia where it joins Zambian Railways south to Lusaka and northwest to the Copper Belt and to the DRC where it connects to the Congolese Railway, SNCC;
- (3) The TANZAM road that follows much the same route as the TAZARA rail, and the road that runs from Mbeya into Malawi at Songwe, along the lakeshore from Karonga to Chiweta and inland to Lilongwe;
- (4) The TAZAMA oil pipeline, which runs from the port of Dar Es Salaam to the Indeni Refinery at Ndola, Zambia; and
- (5) The road from Kasama to the port of Mpulungu on lake Tanganyika, providing for the transport of goods from Zambia and further north to Burundi, Rwanda and eastern part of the DRC.
The TCC: Transport coordinating Committee

• The TCC was formed in 1982, mainly to deal with the export and import requirements of the Zambian mining industry, and subsequently expanded its membership to meet the changing transport needs of Malawi, Tanzania, Zambia and later DRC.

• TCC brought together industrial users, transport service providers, government agencies involved in transport matters to deal with mainly critical issues centered around port and TAZARA performance.

TCC was facing 3 challenges:
• There was however no full Secretariat to follow-up between meetings;
• The TCC identified problems but had no sufficient power to bring neither its members nor the governments involved to implement proposed solutions
• The TCC needed the capacity and data to more effectively market the corridor.
DCC: Dar-Es-Salaam Corridor Committee

To correct the deficiencies:
- DCC is a new corridor institution, with its associated functions, operations and constitution.

The main goals are:
- To expand the TCC membership to make it full-fledged public-private partnership;
- To support it by a full Secretariat of five persons;
- To emphasize the operational and marketing aspects of the corridor; and
- To support the Corridor Committee with national organizations in each country.
Institutional framework of the DCC

- The Committee
- The Executive Committee
- The transport and customs Working Group
- The national corridor committees
- The Secretariat
Mandate and interventions of the DCC

Mandate of DCC:
• Reduce transit time on the corridor: was 40 days for the last decade from Zambia/DRC to DES port compared to current performance of 8 days
• Reduce transport cost for corridor traffic
• Promote and facilitate trade

Interventions:
• Promoting infrastructure development
• Simplifying and harmonizing regulations;
• Supporting business with management processes
Some key programs and projects

- Monitoring Corridor Performance
- Port Improvement (Infrastructure and Systems)
- Rationalization of rail operations.
- One-Stop-Border-Posts and Customs Connectivity.
- Complimentary Projects.
  - Self-regulation for transport operators
  - Accreditation for customs clearing agents
  - Safety and HIV Interventions (Wellness Centers)
Positive Development

• Reduction of port dwell time from 25 to 13 days between Jan and Dec 2009.
• Reduction of rail transit times to Zambia from 17 to 5 days, but still heavily constrained.
• Reduction of transit check-points from 43 to 30, but still too many.
• RADDEEx Connectivity between TRA and MRA, speeding up border processing times.
Challenges

Team Building:

• Need for a coherent and comprehensive policy framework addressing transport & trade regulation.
• Need for improved Inter-agency coordination and cooperation supported by policy.
• Need for capacity building for National Corridor Committees to effectively articulate and address trade facilitation needs.
Mechanism for sustainable funding

1. **User-pay fees:**
   - The secretariat prepares a budget based on approved program
   - Fees assigned to each origin/destination of corridor usage (2011)

2. **Obligatory member contributions (2010)**
   - The Secretariat prepares a budget based on approved program
   - The committee agrees contributions by each member

3. **Voluntary member contributions (2009)**
   Members pledge funds to meet the budget
A PPP Spatial Development Initiative governed by a Memorandum and Articles of Association.

- The Maputo Corridor runs through one of the most highly industrialized and productive regions of Southern Africa.
- Johannesburg and Pretoria form the western axis of the Corridor with their large concentrations of manufacturing, processing, mining and smelting industries.
- The corridor passes through vast industrial and primary production areas containing steel mills, petro-chemical plants, quarries, mines, smelters and plantations of forests, sugar cane, bananas and citrus.
- South Africa and Mozambique have promoted the revival of the Maputo Corridor with bilateral policies and substantial public and private sector investments designed to stimulate sustainable growth and development in the region.
Road links

The Maputo Corridor Road Distances

<table>
<thead>
<tr>
<th>City</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jo‘burg</td>
<td>590 km</td>
</tr>
<tr>
<td>Pretoria</td>
<td>560 km</td>
</tr>
<tr>
<td>Middelburg</td>
<td>422 km</td>
</tr>
<tr>
<td>Nelspruit</td>
<td>221 km</td>
</tr>
<tr>
<td>Maputo</td>
<td>Border: 92 km</td>
</tr>
</tbody>
</table>

[Diagram showing distances between cities]
Road sector

• The N4 highway is the first major infrastructure project completed since the implementation of the Maputo Corridor agreement.
• Stretching from Witbank in South Africa to Maputo in Mozambique, the N4 provides a world-class trunk route between the two countries.
• The N4 is a fast, safe and efficient road to the international ports of Maputo and Matola.
• The N4 offers round-the-clock response teams to deal with incidents, the latest technology, the safest road construction, tamper-proof SOS-telephones and a management policy that ensures continuous maintenance and upgrading.
Rail links

The Maputo Corridor Rail Distances

Polokwane 550 km  Jo’burg City Deep 581 km  Pretoria Rosslyn 560 km  Witbank 450 km  Maputo
<table>
<thead>
<tr>
<th>From</th>
<th>Maputo</th>
<th>Durban</th>
<th>R'Bay</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gauteng SA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Johannesburg (City Deep)</td>
<td>581</td>
<td>720</td>
<td>652</td>
</tr>
<tr>
<td>Pretoria (Rosslyn)</td>
<td>574</td>
<td>786</td>
<td>712</td>
</tr>
<tr>
<td><strong>Limpopo SA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phalaborwa</td>
<td>374</td>
<td>1,083</td>
<td>895</td>
</tr>
<tr>
<td>Polokwane</td>
<td>550</td>
<td>935</td>
<td>802</td>
</tr>
<tr>
<td>Tzaneen</td>
<td>452</td>
<td>1,160</td>
<td>972</td>
</tr>
<tr>
<td><strong>Mpumalanga SA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lydenburg</td>
<td>443</td>
<td>856</td>
<td>668</td>
</tr>
<tr>
<td>Nelspruit</td>
<td>219</td>
<td>830</td>
<td>642</td>
</tr>
<tr>
<td>Witbank</td>
<td>469</td>
<td>801</td>
<td>627</td>
</tr>
<tr>
<td><strong>Northwest SA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rustenburg</td>
<td>661</td>
<td>874</td>
<td>794</td>
</tr>
<tr>
<td><strong>Botswana</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaborone</td>
<td>1,027</td>
<td>1,170</td>
<td>1,104</td>
</tr>
<tr>
<td><strong>Swaziland</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matsapha, Manzini</td>
<td>228</td>
<td>544</td>
<td>371</td>
</tr>
<tr>
<td><strong>Zimbabwe</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Bulawayo</td>
<td>1,083</td>
<td>1,880</td>
<td>1,800</td>
</tr>
<tr>
<td>Gweru</td>
<td>967</td>
<td>1,764</td>
<td>1,684</td>
</tr>
</tbody>
</table>

*Source: FTW 02 March 2007 and Spoornet Rail Distance Calculator*
Border posts

1. Lebombo / Resanno Garcia Border Post (SA/MZ)
Improvements in the functional operation of border posts between Mozambique and South Africa to date are:

• The **bilateral removal of Visa requirements** between Mozambique and South Africa for one another's nationals.

• The **extension of Operating Hours** at the border to 12 hours per day for people and 16 hours per day for goods, with extended hours over traditionally busy periods

• The agreement in principle to establish a **One Stop Border Post** (1SBP).
2. Lomahasha / Namaacha Border Post (SZ/MZ)

The road between Swaziland and Maputo via Lomahasha / Namaacha is not part of the N4 / EN4 TRAC toll road, but is generally considered to be in a good condition.

3. South Africa / Swaziland Border

Swaziland links to the TRAC N4 toll road in South Africa via the Jeppe's Reef (SA) / Matsomo (SZ) border post approx. 60 km south of Malelane as well as at the Mananga Border Post approx. 70 km south of Komatipoort.
The Port Maputo

- Under Concession since 14 April 2003 to the Maputo Port Development Company (MPDC) for a period of 15 years, with a 10 year extension option.
- Under the agreement, MPDC was granted the rights to finance, rehabilitate, operate, manage, maintain, develop and optimize the port concession area.
- MPDC is a consortium led by Mersey Docks of the United Kingdom and includes Skanska of Sweden and Liscont of Portugal.
- The international consortium holds a fifty-one percent equity stake in the MPDC with the remainder of the balance held by CFM, the Mozambican Ports and Rail Company and the Government of Mozambique.
Port facilities and services

The port services consists of a variety of operators, each specializing in a certain product and adapted to the containerized and break-bulk cargo of Port Maputo and the bulk cargo of Matola.

- **MIPS Container Terminal**: Citrus Terminal, Bulk Sugar Terminal, Molasses Terminal, Coastal Terminal, Bagged Sugar Terminal
- **Matola Port Bulk Terminals**: Grain Terminal, Aluminium Terminal, Petroleum Terminal, Coal Terminal
The Maputo Development Corridor (MDC) was launched as an SDI in 1996 and the Maputo Corridor Company (MCC) was established as the legal corridor management entity to engage the public and private sector players in South Africa, especially at provincial level. The aims and objectives of the Maputo Development Corridor when initially defined were:

- To rehabilitate, in partnership with the private sector, the primary infrastructure network along the corridor, including road and rail links between South Africa and Maputo, the boarder post between the two neighbors and Maputo port;
- To maximize investment in the corridor area using added opportunities that infrastructure rehabilitation would create;
- To maximize social development and employment opportunities, and increase participation of historically disadvantaged communities;
- To develop policies, strategies and frameworks to promote holistic, participatory and environmentally sustainable approaches to development.
The MCC was not functioning effectively in coordinating stakeholders and mainstream shippers. The corridor lacked a strategic planning focus and an action plan.

In early 2004, the Maputo Corridor Logistics Initiative (MCLI) was launched as a public-private sector partnership to create greater awareness and foster better utilization of the corridor.

The MCLI is incorporated in South Africa as a non-profit organization with members from both South Africa and Mozambique.

The legal instrument governing MCLI is the Memorandum and Articles of Association, corresponding to a company without a share capital.

The South Africa Department of Transport (DOT) has since become one of the key members working with MCLI to formally establish a public-private partnership corridor institutional framework at a trilateral level with Mozambique and Swaziland.
Objectives of MCLI

- Coordinate the views of the investors, service providers and users to promote development and change to make the **Maputo Corridor the first choice for importers and exporters** and
- Inform the market about the corridor and promote the strategic benefits and opportunities offered by the corridor.

The MCLI key areas of focus were identified as:
- **Lack of sufficient rail capacity and**
- **Border post constraints**, especially the extension of the commercial cargo clearing time to eventually a 24 hours one stop border post.
Organs of the MCLI

• **The Board of Directors:** The highest decision making body with nine executive Directors and seven non-Executive Directors.

• **The Executive Committee** responsible for (i) the financial management of the company, (ii) giving direction to and monitoring the CEO.

• **The MCLI Membership** is open to a wide range of interested stakeholders across South Africa and Mozambique and now Swaziland, membership fees based on affordability and size of the organization.

• **The MCLI Staffing structure:** The structure comprises a Chief Executive Officer, a chief operating officer (coordinator), two event administrators, a finance administrator, a personal assistant, an office trainee, and an information and communication technician. The CEO is the public face of MCLI.

• **The Focus Workgroups**
Funding mechanism

• The MCLI is a membership organization where members pay an annual membership fee. Its activities are funded through these fees as well as a contribution from the South Africa National Department of Transport (DOT).

• A MoU is in place through which the DOT makes a contribution towards MCLI to assist the province of Mpumalanga which borders Mozambique.

• MCLI’s funding is therefore guaranteed as long as it continues to deliver benefits to its membership and the DOT.
Lessons learnt from MCLI: 14 years experience

- Development of opportunities and incentives for increased private sector investments and participation in Corridor development
- 24 Hour Joint One Stop Border post – In Progress – Phases 1 & 2: Abolishment of visas; Extended border hours
- Harbour concessions in place & successfully managed by private sector – increased infrastructure investment
- Further investment in Port & terminals > US750M per 20year Port Master Plan
- Substantial economic growth Cities/Towns along N4
- The revival of development co-operation between the South African rail operator - Spoornet, and the Mozambican rail operator - CFM
- Workgroup projects to address high level constraints (BP, Rail, Customs, Ships Calling, Sustainable Institutional Framework)
- Strong multi-lateral, multi-stakeholder growing membership base
- Credible platform for public and private sector engagement on the issues affecting the corridor
2.6. Walvis Bay Corridor: a true public-private partnership in corridor development.

- The Walvis Bay Corridor consists of three trade routes linking the port of Walvis Bay in Namibia to 6 SADC member countries. Those are: Namibia, SA, Angola, Zambia, Botswana and DRC.

The three routes are known as:
- Trans-Kalahari Corridor (TKC);
- Trans-Caprivi Corridor (TCC) and
- Trans-Cunene (TCuC).
Walvis Bay Corridor Routes
• The TKC links WB with Botswana and the industrial region of Gauteng, South Africa.
• It complements and competes with import/export routes through the Ports of Durban, Port Elisabeth, Cape Town and Coega.
• The TK Highway is 1,800 km between WB – Windhoek – Gaborone – Johannesburg / Pretoria.
• The TKC is complemented by Maputo Corridor thus creating a transportation link over the entire breadth of the continent.

Main highways are:
• **The Trans Kalahari Highway**, built jointly by Botswana and Namibia in the 1990s and officially opened in 1998.
• **Bakwena Platinum Highway**: South Africa complemented the TKH development with a toll road connecting the TKH to Johannesburg and Pretoria that opened in 2005.
The Trans Caprivi Corridor (TCC) links WB with Zambia and southeast DRC over a distance of 2,500 km, and connections to Zimbabwe.

The TCC links in Kapiri Mposhi in Zambia with the Dar Es Salaam Corridor and thus extends transit infrastructure to the Indian Ocean.

The main key infrastructures realized include:

- The Trans Caprivi Highway linking Namibia to Zambia and Botswana was opened in 1999.
- Katima-Mulilo Bridge and Sesheke – Livingstone Road Rehabilitation to support the boom of mining sector in Zambia and DRC.
- Chingola and Kasumbalesa Road Rehabilitation (2006)
WBC/TCuC

• The Trans Cunene Corridor links WB with southern Angola up to Lubango over a distance of 1,600 km.
• It is supported by a rail line which presently extends up to Ondangwa in Namibia.
• The TCuC also provides a strategic link to the regional Johannesburg – Windhoek- Luanda Corridor which is part of the transcontinental Windhoek – Tripoli Corridor (Corridor no.4 of the Trans African Highway Network).
• Fully developed road infrastructure extends up to Angola – Namibia border and the investment on extension of the Namibian north rail line up to the border complements the road infrastructure with the long term aim of being connected to Angolan rail system.
Facilitation Mechanism

- The WBC has two main classes of structures, those that deal with the corridor as a whole including its three arms, and those that relate to the individual arms.
- The general corridor institution is Walvis Bay Corridor Group (WBCG) while only one institution.
- The TKC Management Committee has also been established.
- **WBCG** is a public-private partnership body established in 2000 to coordinate and integrate the various public and private sector development efforts along the WBC.
- Its mission was “To increase the utilization of the WBC and maximize the flow of traffic on the corridor routes; especially through marketing activities focusing on business development and on attracting Atlantic business from traditional routes.”
Facilitation mechanism, cont’d

- WBCG members include:
- **Private sector**: The national Associations of the Forwarding and Clearing industry (NAFF), of the trucking industry (NAMROAD) and the port industries (WBPUA);
- **Parastatal sector**: The Namibian Ports Authority (Champion) and railway sister company, TransNamib Ltd;
- **Government**: The Depatment of Transport, Customs and Trade and industry.
- The WBCG sustains a lean three person secretariat in Windhoek.
- Its task is to coordinate the corridor related activities of its members into an integrated corridor development approach.
- The Secretariat has a separate program areas with focus on **business development, transit facilitation and infrastructure development.**
The Trans-Kalahari Corridor Management Committee (TKCMC)

- A MoU establishing the TKCMC has been signed in 2003 by Botswana, Namibia and South Africa.
- The WBCG serves as the Secretariat for the TKCMC.
- A similar Corridor Management Committee has been initiated for the Trans-Caprivi Corridor (WB-Ndola-Lubumbashi-Corridor Committee) as well as for the Trans-Cunene Corridor.
- The TKCMC is composed of representatives of transport operators, infrastructure and transport authorities, port and Customs authorities, freight forwarders, and generally of all business and agencies interested in the corridor.
- The MoU provides for the establishment of an Operations Committee and Working Groups.
  - **The Operations Committee**: The Operations Committee consists of the Chairperson and Vice Chairperson of the TKCMC, and four representatives of the private and public sectors from different areas of interest or specialization.
  - **The National Corridor Committees**: These committees exist in member states to follow up and monitor implementation of TKCMC programs and decisions.
  - **The Corridor Secretariat**: The MoU envisages a rotating secretariat but the current secretariat of TKCMC is WBCG.
Main achievements

• Key interventions to be pursued through TKCMC focus on improvements on border management, customs, road transport and traffic but also business development:
  – The extension of border operating hours between Namibia and Botswana (to be followed by SA);
  – The introduction of a common customs documentation SAD 500 along the TKC, as a model development for SADC region
  – Study of animal control and increased fencing in Botswana.
Funding Mechanism

• The WBCG is funded through membership contributions from NAMPORAT and WB port operator, the latter meeting a significant proportion of the costs.

• A study on the sustainability of the corridor recommended a staggered funding system moving from the current contributions by governments to payments by beneficiaries gaining from the work of the committee.

• There is also an agreement in principle to implement a tonnage levy system and the TKCMC is reviewing mechanisms for implementing such system.
Performance on WBC

- TKC links WB with Gaborone and Gauteng over a distance of 1800 km and allows 48 hours transit time to/from Gauteng.
- TCuC links WB to Southern Angola in one day service to the border.
- TCC linking WB with Zambia, DRC and Zimbabwe allows transit time of 5-6 days from port to Lubumbashi over a distance of 2,500 km with the Bridge along Zambezi completed since 2004.
- Promotion of safe corridors programs along the WBC include: road safety measures, transport security measures, mitigating HIV/AIDS through workplace Program, awareness, VCT, IEC distribution and roadside wellness centers.
Projects in progress on WB Corridors

- Transport Master Plan - Namibia
- Upgrade existing rail infrastructure - Namibia
- One Stop Border Posts  - (TKC, TCuC, TCC)
- Dry Ports in Walvis Bay (Botswana, Zimbabwe, Zambia)
- Develop Infrastructure facilities at Kasumbelesa (Zambia)
- Corridor Trucks stops
- Rail feasibility studies– TCC & TKC
- Investment in WB port to achieve port draft of 14.5 million MT and 500,000 TEUs by 2013 from current 12.8m MT and 260,000 TEUS.
Lessons learnt from WBC

- The WBCG is one of the most active and aggressive corridor bodies in Africa.
- It is a business development oriented and is dominated by a few large private sector stakeholders.
- The WBCG is established as PPP and has now extensive experience in corridor management and marketing with concrete achievements such as the SAD (Single Administrative Document).
2.7. Durban Corridor or NORTH – SOUTH CORRIDOR.

- Beginning from the port of Durban, the North-South transport system links the main industrial centre of Gauteng in South Africa to Zimbabwe, Zambia, DRC and Malawi.
- The Port of Durban is the busiest and biggest container port in S.A.
- The Port is served with excellent rail and road links to Gauteng the most industrialized region in S.A.
- The combined Durban Container Terminals handled 2,560,366 TEUs (34,564,941t) during 2008/2009.
North – South Corridor (NSC) road and railway routes.
Road and railway routes

Road routes:

Railway routes:
SA Corridor management experience

- The South African corridor management experience is illustrated by an integrated transport system coordinated by one entity *The Transnet Ltd*

- Transnet Ltd is a focused transport and logistics company wholly owned by the South Africa Government made up of the following operating divisions:
  - Transnet Freight Rail;
  - Transnet National Ports Authority;
  - Transnet Port Terminals
  - Transnet Pipelines
  - Transnet Rail Engineering.
Facilitation mechanism: NSCMC

- A Memorandum of Understanding (MoU) establishing the NSCMC was signed between 7 countries namely: Botswana, RDC, Malawi, Mozambique, South Africa, Zambia and Zimbabwe.
- It is a strategic partnership of the stakeholders of the public and private sectors and regional institutions.
- The main objective is to fulfill their obligations under various international and regional agreements to which they are party and in particular “the SADC Protocol on Transport, Communications and Meteorology”) and “the SADC Protocol on Trade”.

Lessons learnt from NSCMC

- The NSCMC facilitates implementation of various SADC regional agreements
- It is a model for a multi-country corridors management.
- The MoU establishing The NSCMC compels member States to enforce decisions through enactment of relevant policies and legislation.
From the above,

- There are different forms of corridor management institutions and arrangements ranging from private sector led operating as lobby groups to those that are State run authorities.
- The existing bodies differ from the founding instrument, working mechanism, the funding mechanism and level of PS involvement.
- Some Corridor Management Institutions have been problem solving on one hand while on the other hand corridor issues are solved through an ad hoc working group formed to address specific issues.
- If most regional corridor development authorities pursue private sector participation, yet when it comes to corridor development and coordination, the mechanism are government owned and driven.
- Funding arrangements include membership fees, contributions from Governments, donor support and traffic-based usage fees.
- The legal instruments governing the CMI have been assessed as treaties, agreements, MoU, protocols, Constitution, Articles of Association etc…
3.1. Best practices in corridor management

- Involvement of Private Sector in Corridor Management Institution on a PPP basis;
- Elimination of Non-Physical Barriers along the transport corridor;
- Transformation of Transport corridor into economic corridor.
- Sustainability (Funding)
- International Benchmarking.
3.1.1. Involvement of PS in Corridor management and development on a PPP basis

- Transport corridor management issues are diverse and involve several stakeholders.
- Therefore the setting-up of an effective mechanism for corridor management should reflect the issues and ways of engaging key stakeholders from public and private sectors.
- It is a general opinion that public services such as Customs, immigration, traffic police etc… are the sole responsible for constraints along the corridors.
- However, private sector entities involved in transit operations can be also part of the problem when for example transit agents fail to provide documents for clearance in time or shippers fail to settle required payments or bonds (Djibouti Corridor).
- It is therefore essential to improve efficiency of the public institutions but also focus on those issues associated to private stakeholders.
- While private sector consultation is common in the management of transport corridors, such private sector involvement is not necessarily integrated into the decision-making structures.
PS involvement in CMI, cont’d

In PMAESA region, sharing of best practices in engaging the private sector in corridor development initiatives can refer to:

- MCLI model with its private sector driven corridor development initiatives;
- NC-TTCA model with its “Stakeholders Consultative Forum”
- WBCG with a true public-private partnership in corridor development.
- Creating a private sector driven corridor management may secure financial sustainability from various sources of income through membership contributions from private companies (MCLI, WBCG).
- An enhanced public sector involvement in corridor management is also essential in addressing NTBs to trade and transport and in facilitating investments along the corridors.
- The South Africa Department of Transport (DoT) can be a model with its interventions on Maputo Corridor.
3.1.2. Elimination of NonTariffs Barriers (NTBs).

- The establishment of Corridor Observatories to monitor corridor performance facilitates the identification of obstacles to the smooth flow of the traffic along the corridor (delays and cost factors).
- Those range from Customs documentation and administrative procedures to police road blocks through varying trade regulations and transit procedures.
- The NC-TTCA has recently released a comprehensive report on non-physical barriers along the Northern Corridor while the North-South Corridor has implemented an Observatory at the Beit Bridge.
- The introduction of the Single Administrative Document (SAD 500) along the WBC is also of great interest.
- The MCLI, TKC and Dar Corridors have advanced projects on OSBP and may serve as reference.
In regard to transit transport facilitation, the NC-TTCA can be “champion” in its following up of the implementation of a number of COMESA Transit Transport facilitation Instruments.

Harmonization of facilitation instruments reduces delays and hence, the cost of doing business along the NC.

The instruments include:

- Road user charges
- COMESA Carrier license
- Yellow card (Third Party Motor Insurance)
- COMESA Customs Document
- Regional Customs Bond Guarantee
- OSBP/Coordination of Border Management
- Axle load limits
- Overload control
- Weighbridge management
- Vehicles Dimensions
3.1.3. Transformation of Transport corridor into Development Corridor

- The SADC has commissioned a study on using the Corridor Management Committee/SDI Approach to foster economic development and regional integration.
- The study focuses on the most developed SDI, the Maputo Development Corridor, and a well established CMC on the Walvis Bay Bay Corridor which include the TKC, the TCC and TCuC.
- A variety of lessons can be learned from these initiatives that suggest that the development corridor approach is a very useful approach for SADC for achieving its economic development and regional integration goals.
3.1.4. Sustainable funding arrangement

- **NC-TTCA** is funded with tonnage levy on imports collected at the port and budget allocation from government. Both public and private sectors work closely in implementing the funding regime.

- **Dar Es Salaam Corridor** funding arrangement consists in membership fees based on equal contributions by committee members and the TPA is the key coordinator for the group.

- **WBC** is funded with membership fees by group members and equal contributions by the signatories to the TKC MoU. Namport is leading in the group members.

- **Maputo corridor** is also funded by membership fees and the SA department of Transport is providing most of the funding through subsidy.

- **Central Corridor** has benefited a grant for startup costs from AfDB and an equal state contributions is planned. TRC has seconded staff to get the corridor secretariat take off.

The traffic-based usage fees is the most appropriate for a sustainable funding mechanism as it obliges CMI to deliver tangible benefits for corridor users to justify its funding.
3.1.5. International benchmarking

• As part of sharing best practice, the regional corridor development authorities may wish to consult with developed countries on:
  • Corridor performance indicators;
  • Corridor performance measures
  • Corridor performance constraints

and develop an action plan based on international best practices to address corridor performance constraints in PMAESA region.
IV. Proposal for a Coordinating and Consultative Mechanism for sharing of experience and best practices

4.1. Definition:

- The mechanism has been defined as a *regional platform for a networking as well as for ensuring fair competition and knowledge sharing about best practices*

- The Regional Corridor Development Working Group being a forum of “inter-exchange” for multi-sector stakeholders busy on daily basis with each one’s business, there is no need to establish a lean secretariat and create another regional institution.

- The mechanism will need to be simple, cost-effective and time-efficient, breaching the geographic distance between the various corridor development initiatives and facilitating communication and real sharing of ideas.
• In order to be compliant with the principles of simplicity, cost-effectiveness, clear benefits to stakeholders and sustainability, the mechanism will need to be coordinated by a regional well-established REC, hosting at same its secretariat to manage its operational activities.

• Recognizing the role of ports in corridor efficiency and competitiveness, the Consultant proposes PMAESA as a regional Organization for the ports to host the secretariat of the proposed mechanism.

• PMAESA is interacting with both ports and corridors through its programs and It is a well established regional Organization (1973) affiliated to the United Nations – ECA

• It has a wide knowledge and experience in maritime sector which constitute an added value for the new mechanism.
4.2. Naming the mechanism: previous initiative

- The idea of establishing a regional mechanism for consultation and coordination of corridor development issues comes from the WBCG.
- A preliminary study undertaken by Drs. Eline Van Der Linder has named the mechanism “The Inter-Corridor Exchange” to reflect its various functions of:
  - Exchanging information
  - Exchanging experiences
  - Exchanging know-how
  - Exchanging best practices
- According to the TORs, the mechanism is not only facilitating exchange of experience and best practices but also and mainly:
  - Co-ordinate, integrate and optimize various regional corridor improvement initiatives
  - To improve the quality and the reliability of the infrastructure, transport and other logistic services within regional corridors among others.
Whereas, the TORs refer to a “Permanent Regional Corridor Development Working Group”, in our opinion, the use of the words “Working Group” refers to specific matters that can be assigned to technical committees and does not match with the word “Permanent” of the title.

In order to involve all Corridor stakeholders in a PPP approach and also to take into account the geographical aspect the Consultant proposes to name the mechanism as follow:

“Eastern and Southern Africa Corridor Development Initiative” (ESACDI).
4.3. Proposed mission

- The ESACDI would be an **advisory body** principally responsible for facilitating transit traffic movement and for initiating policies and laws related to transit transport and trade facilitation specifically by:
  - Facilitating removal of physical and non physical barriers to goods and persons transiting along the corridors;
  - Setting up stakeholders network;
  - Promoting corridors and business development along corridors; and
  - Advocating for infrastructure improvement.
4.4. Institutional design

- The institutional structure is simple and cost-effective and looks more like an "issues-based program" arrangement than a formal institution. It is proposed to have four tiers:

- **An Executive Corridors Management Committee** composed of a Chair-Person, a Vice Chair-Person and a Secretary;
- **Secretariat**: PMAESA secretariat
- **A Stakeholders Representative Forum** composed of key public and private sector representatives from each corridor as well as regional level institutions
- **The Focus Working Groups**: Technical committees to be established and work on specific matters.
Proposed ESACDI structure

ECMC

Secretariat (PMAESA)

Stakeholders Representative Forum

Focus Working Group (FWG): Infrastructure Development

FWG: Elimination of Non-Physical Barriers and Non-Tariff Barriers

FWG: Investment of Private Sector in Corridor Development Initiative
4.5. Membership

• The ESACDI membership ranges from eastern and southern Africa corridor development authorities in PMAESA region to public and private sector stakeholders involved in transit transport issues. Those are:
  • Public sector stakeholders including all modal transport and infrastructure authorities, industry and trade, ports authorities, customs, immigration, security agencies, health, environment and community leaders.
  • Private sector stakeholders consisting of all modal transport operators associations, freight forwarders and clearing agents, industry and trade associations, tourist groups and service providers (such as financial, insurance and ICT).
  • Regional Institutions stakeholders including: COMESA, SADC, EAC, UNECA, FESARTA, PMAESA, ASANRA, SARA, FCFASA
1. Policy Organ: Executive Corridor Management Committee (ECMC).

- ECMC is the policy and leading organ of the ESACDI.
- It is preferably composed of:
  - A Chair Person elected by Stakeholders Representatives Forum from CEO`\'s or Executives Secretaries of the regional port/corridor authorities;
  - A Vice Chair Person elected by Stakeholders Representatives Forum from private sector members of transport service providers Associations;
  - A Secretariat assured by PMAESA (PMAESA Secretary General).
  - The Chairperson of the ECMC shall be elected in turn rotation among the leading corridor management authorities and shall hold office for a period of two years and may be re-elected for a subsequent term provided such person qualifies in terms of the rotation schedule.
  - The Deputy Chairperson shall be the private sector representative (service providers) from different region (East vs South) of which the Chairperson is elected.
2. Core Group: Stakeholders Representatives forum

The stakeholders Representatives Forum is composed of members nominated by their constituency and may include:

- Representatives of Government (ministry of transport) from each corridor member states;
- Representatives of transport operators associations of each corridor;
- Representatives of regional level institutions

3. The Focus Working Group

- The core group may establish working groups it may deem necessary to address specific issues.
- The working group members can be from stakeholders in corridor countries and regional institutions and may focus on main stakeholders` interests
4. The Secretariat

- PMAESA as one of the well established regional institutions having initiated the establishment of this mechanism may host the secretariat during the first term of the ECMC. In assuming the ESACDI secretariat PMAESA functions may include:
  - To provide technical advice to the core group and working groups;
  - To convene meetings in consultation with the Chair Person;
  - To provide technical, administrative support and other services during meetings;
  - To establish productive working relationships with stakeholders, other corridors and institutions;
  - To disseminate information at various levels and coordinate in consultation with the ECMC overall ESACDI activities.
4.7. Funding mechanism

- In the early formative stage, some of the existing corridor institutions have been funded by corridor champions or donors.
- For ESACDI case, it will be necessary to obtain some initial funding from other sources until the stakeholders have reached a stage where they can appreciate the key benefits and are able to fund the activities themselves.

Funding request to cover startup costs can be addressed to:
- The World Bank Group when advocating for transport infrastructure development (Road, rail).
- USAID through its East and Central Africa (Nairobi – Kenya) and Southern Africa (Gaborone – Botswana) Global Competitiveness Hubs when advocating for removal of NTBs or promoting PPP in CMI.
- JICA (Japan), specifically with its program of introducing OSBP.
- DFID (UK) as major player in Southern Africa region in facilitating the flow of donor resources and capacities.
4.8. Legal instrument

- The choice of Legal Instrument to govern the ESACDI will be influenced by key partners and depends on the level of interaction between public and private sector stakeholders.
- It can be assumed that a simplified MoU setting up the framework for the management arrangement could better fit with the mechanism.
- However and in any case, the legal instrument to be adopted must be harmonized with the legal regimes of the corridor countries and must be ratified by the responsible public bodies of corridor member states.
4.9. Implementation

- The draft report for this study has been remitted to PMAESA in early June this year in order to convene a consultative stakeholders workshop. It is expected that this forum will come out with:
  - A clear assessment on a **Need** and/or **interest** in a coordinating /consultative mechanism among corridor development initiatives and relevant stakeholders;
  - identifies those corridor development activities that would require support from such a mechanism;
  - recommends the institutional anchoring of the coordinating mechanism in relation to existing regional, national and/or technical working groups;
  - determines the optimum operational/institutional design of the coordinating mechanism;
  - determines the action plan and Terms of reference of the proposed ESACDI
  - recommends possible resource mobilization or financing strategies.
  - amends /approves the Consultant report document for further dissemination by the beneficiary PMAESA.
5. Conclusions

- ESACDI is not another overlapping institution;
- It is rather a facilitation mechanism aiming to coordinate various corridor improvement initiatives in the PMAESA region;
- It is proposed to be more an issues-based program than a formal institution to meet the principle of cost-effectiveness.
- The initial effort for the ESACDI should aim at prioritizing regional transport infrastructure projects and develop a regionally coherent Corridor development program.
- In addition to infrastructure and facilitation programs, ESACDI should address the issue of capacity building at national, sub regional and regional level.
MANY THANKS
FOR YOUR
KIND ATTENTION