REPORT
WORKSHOP ON LINKING PORTS TO CORRIDORS FOR EASTERN AND SOUTHERN AFRICA REGION

I. Introduction

1. The workshop on linking ports to corridors for the Eastern and Southern Africa Region was jointly organized by the Management Association of Eastern and Southern Africa (PMAESA) and the African Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (UNECA). The workshop was held from 23 -25 November 2010 at the Mombasa Beach Hotel, Mombasa, Kenya. The objective of the workshop was to discuss the findings of a study report on the “Establishment of a Permanent Regional Corridor Development Working Group for the Eastern and Southern region.”

2. The workshop was attended by 53 delegates representing ports and corridors from the following countries; Angola, Burundi, Djibouti, Kenya, Malawi, Mozambique, Namibia, Rwanda, South Africa, Sudan, Tanzania, and Zambia. In addition to the countries, some delegates came from the following organizations: the Common Market for the Eastern and Southern Africa (COMESA), the Eastern Africa Community (EAC), International Maritime Organization (IMO), Southern Africa Development Community (SADC), Southern African Railway Association (SARA), Maputo Corridors Logistics and Initiatives (MCLI), Sub-Saharan Africa Transport Policy Program (SSATP), Trade Mark East Africa, and USAID. The Secretariat services were rendered by the UNECA and PMAESA.

II. Opening Remarks

3. The first opening remarks were delivered by Ambassador Peter Robleh, Coordinator of African Trade Policy Centre (ATPC), UNECA. In his opening statement, Amb. Robleh highlighted the role played by ATPC in trade facilitation, including providing financial support to trade facilitation activities, programmes and studies. He observed that in the past, development of trade facilitation was concentrated on international trade as opposed to local traders, which are the main key players in trade promotion in a number of many African countries. To this end, the importance of African countries to develop policies aimed at promoting development of local trade was highly underscored.

4. Amb. Robleh commended PMAESA for its initiatives in undertaking the study on linking ports and corridors in the Eastern and Southern region. Implementation of recommendations from the study would play a big role in promoting trade between the two regions. He reiterated ATPC’s continued support in financing activities and programmes aimed at promoting trade among African countries.

5. The second remarks were delivered by Mr. Jerome Ntibarekerwa, the Secretary General of PMAESA. Mr. Ntibarekerwa started by highlighting the important role played by ports and
corridors in trade facilitation. Noting the significance of ports in the global transportation chain and how their operations impact the level of trade, he said that ports development would be incomplete without taking into account the entire supply chain which includes infrastructures of the different intra-modal transport systems. He pointed out that interfacing road, rail, river and pipeline transport development with port development is crucial in promoting trade among the African countries.

6. Mr. Ntibarekerwa also thanked the UNECA/ATPC for its continued support to the activities of PMAESA, including the funding of the above study as well as the organization of the validation workshop of the study.

III. Presentations

7. Presentations were made on the following agenda items: Trade Facilitation and Intra-African Trade; Trade Transit Corridors in Africa’s Landlocked Countries; Renewed Interest in Railway Development in the East African Region; Women’s Participation in Ports and Corridors; Overview of Investment Opportunities and PMAESA Agenda; and the Study on the Establishment of the Permanent Regional Corridor Development Working Group in the PMAESA Region.

a) Trade Facilitation and Intra-Africa Trade

8. The presentation on this item was made by Mr. Emmanuel Joshua Chinyama of UNECA. In his presentation, Mr. Chinyama underscored the role of corridors and ports in trade promotion and the need for the two to be linked. The presentation highlighted some challenges impeding trade facilitation in African countries. These include: weak infrastructure, inadequate ICT, weak financial systems, geographical position, and cumbersome procedures. He pointed out that African countries were making great efforts in addressing the above challenges, including undertaking of trade facilitation reforms.

9. The presentation noted that countries that undertook trade facilitation reforms stand to gain substantially from enhanced efficiency of customs procedures. Gains from trade facilitation include: increased revenues both to governments and the ports; minimum transaction time; costs reduction; increased trade flows; and increased foreign direct investment (FDI).

10. The presentation concluded by highlighting some trade flows. It was reported that Africa’s share of world exports had declined by nearly two-thirds in the past three decades, thus a decline from 2.9 per cent in 1976 to 0.9 per cent in 2006.

11. The following conclusions were made at the end of the presentation:

   i. Ports and corridors continue to play a key role in trade facilitation;

   ii. African countries are trading more with the outside world than among themselves;

   iii. Africa’s export continue to be under 3 per cent of the world trade; and
iv. High trade costs prevent many African countries to the full realization of gains from the globalization.

b) Trade Transit Corridors in Africa’s Landlocked Countries

12. The item was presented by Ms. Marie Teresa Guiebo of UNECA. In her presentation, Ms. Guiebo gave an overview of the main transit corridors and their linkages to the landlocked countries in Africa. It was pointed out that landlocked countries are not very well served by the corridors and this resulted into high transport costs. In addition, it was observed that cumbersome administrative procedures and poor facilities within the Transit Countries and the landlocked Countries are detrimental to the promotion of trade among African countries.

13. Ms. Guiebo also highlighted some of the main initiatives being undertaken at the international, continental and sub-regional levels, aimed at promoting transit corridors and trade facilitation. Reference was made to the Almaty Programme of Action which was specifically established to address the special needs of landlocked developing countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing countries. Other initiatives include: Sub-Saharan Africa Transport Policy Programme (SSATP); NEPAD/PIDA; Trade Hubs; ATPC; and Aid for Trade initiatives.

14. She ended the presentation by outlining the following conclusions and recommendations:

i. Corridor management institutions are very important for addressing transit transport issues;

ii. The organizational structure of the corridor and its operationalisation should ensure full participation of the private sector;

iii. Most of the corridor management institutions have been created with donors funding; therefore their sustainability remains a challenge;

iv. Capacity building of the different actors in the corridors is crucial for the corridor efficiency;

v. The geographic location should not impede economic development, including development of corridors;

vi. Strong cooperation between landlocked and transit countries particularly related to transit corridors is crucial;

vii. Sustainable source of funding the activities and programmes of African corridors is strongly needed;

viii. Increase funds for financing regional infrastructure development with an emphasis on maintenance;
ix. Improve the efficiency of operations for all modes of transport and to promote the use of ICT in order to reduce the transport cost;

x. Increase international cooperation and donors assistance and;

xi. Deepen regional integration

c) Renewed Interest in Railway Development in the East African Region

15. The presentation was made by Eng. Solomon Ouna, Kenya Railways. Eng. Ouna started his presentation by giving a brief historical background and current situation of railway connections between East African Ports and hinterland starting from the times of the East African Railways and Harbours in 1948 to the decline of the railway system in 1981. He also gave an update on progress made by the governments of the Eastern region on the various railway development initiatives: These include: a bilateral agreement between the Governments of Kenya and Uganda on the development and subsequent seamless operation of a new high capacity standard gauge railway connecting Mombasa to Kampala; and a proposed study by Kenya Railways and Uganda Railways to design of the railway new standard gauge railway.

16. The presenter concluded by outlining the following challenges:

i. Cultivating a positive image of the proposed Standard Gauge Railways (SGR) projects in the EA region and connections within Africa;

ii. Funding for the railway projects in the East African region;

iii. Competing interests particularly relating to gauge issues; and

iv. Developing human capital for the proposed standard gauge railway design, construction, equipment and operations.

Discussion

17. The meeting had a general discussion on the three items presented above and the following issues were highlighted:

i. Future analysis of trade issues to take into consideration all the variables both at the ports and corridors;

ii. Corridors and ports to effectively implement the past decisions and recommendations, particularly relating to infrastructure development;

iii. It was observed that a number of railways are non-operational in many parts of the Continent which need urgent attention in order to promote trade among African countries;

iv. The need to deepen regional integration which is one of the major challenges affecting the movement of goods among the regions; and
v. Ports and corridors to join efforts in addressing the challenges of trade facilitation with a view to promote trade both within and outside the Continent.

d) Women’s Participation in Ports and Corridors

18. The presentation on women’s participation in ports and corridors was done by Mrs. Nancy Karigithu. In her presentation, Mrs. Karigithu started by highlighting the maritime history, including reasons why the industry is mainly dominated by male as compared to female. She, however, reported that the trend has begun to change. A number of women are being integrated into all levels of political, economic and social development. Reference was made to the International Maritime Organization (IMO) which had been active in promoting the participation and advancement of women in all areas of the wider maritime sector. This has contributed positively to the attainment of the objectives of the third Millennium Development Goal (MDG) “Promoting gender equality and empowering women”.

19. In addition to IMO, it was reported that efforts were being made by other organizations, including ATPC and Women in Development (WID) Programme, to integrate women into all levels of the activities and programmes. Through the IMO and WID Programme, a number of women maritime associations had been established. These include:

i. Pacific Women in Maritime Association (PacWIMA);

ii. The Network for Professional Women in the Maritime and Port Sectors of the West and Central Africa Region;

iii. The Arab International Women’s Maritime Forum for the Middle East and North Africa; and

iv. The Women in the Maritime Sector of East and Southern Africa Association (WOMESA) which constitutes women from 11 countries (Madagascar, Mauritius, Malawi, Mozambique, South Africa, Namibia, Seychelles, Uganda, Tanzania, Zimbabwe and Kenya who is currently the chair.

Discussion

20. The meeting deliberated on the presentations and made the following observations:

i. Despite the efforts in integrating women into maritime industry, statistics show that the number of women joining the industry remain low;

ii. The need to change the traditional perception that seafaring is a man’s job;

iii. The on-going efforts to integrate women into all levels of political, economic and social development to be continued; and
iv. Enhance the training of women in the field of maritime in order to improve the current ratios.

e) Overview of Investment Opportunities and PMAESA Agenda

21. The presentation on the above item was made by Mr. Jerome Ntibarekerwa, Secretary General of PMAESA. In his presentation, Mr. Ntibarekerwa highlighted an overview of the investment opportunities in key port in the Eastern and Southern region, focusing on the following ports, Tanzania Port Authority (TPA); Kenya Port Authority-(KPA); Port of Djibouti; and the Sudan Port Cooperation (SPC).

22. He also highlighted the challenges faced by the ports, their current businesses, major programs and the potential for investment that exists. He further dwelt on the existing projects in the region that could catalyze growth of traffic. This included, among others, mineral development, oil and gas reserves. He also gave a brief assessment of the regional initiatives that were assisting in trade facilitation. The item was just for information; hence, there was no debate on it.

f) Study on the Establishment of Permanent Regional Coordinating Development Working group in the Eastern and Southern Region

23. The study on the establishment of Permanent Regional Coordinating Development Working Group in the Eastern and Southern Region was the main agenda item for the Workshop. The item was presented on behalf of PMAESA, by Mr. Callixte Ntamutumba, a Consultant, who undertook the study which was funded by the ATPC.

24. Mr. Ntamutumba started the presentation by giving the background of the study which he said was in line with the mandate given to PMAESA. The main objective of the study was to facilitate a permanent dialogue between ports and transport corridors in Eastern and Southern region with the view to harmonizing activities for better effectiveness and operational efficiency of both ports and corridors. In addition, he highlighted some developments and challenges in all the corridors. Some of the challenges include: non-existence of a permanent institutional framework; lack of private sector involvement in dealing with corridor issues; high transport cost and the freight tariff per ton/km along the corridor; lack of financial resources to fund corridor projects; and capacity building for National Corridor Committees to effectively articulate and address trade facilitation needs.

25. On the establishment of a Regional Mechanism for Consultation and Coordination of corridor development issues, (Permanent Regional Coordinating Development Working Group in the Eastern and Southern Region), Mr. Ntamutumba informed the meeting that the idea was culminated from the WBCG meeting and PMAESA was requested to undertake a study on the above subject. Its main objective is to propose a platform for networking as well as for ensuring fair competition and knowledge sharing about best practice.

26. In presenting the study, Mr. Ntamutumba highlighted the following:
i. The objectives of the study;

ii. The Structure of the Working Group;

iii. The funding mechanisms of the Working Group; and

iv. The key role of the Working Group.

27. He concluded by highlighting the following:

i. The East and Southern Africa Corridor Development Association is not another overlapping institution. It is rather a facilitation mechanism aimed at coordinating various corridor improvement initiatives in the Eastern and Southern region;

ii. East and Southern Africa Corridor Development Association is more a issues-based program than a formal institution;

iii. The initial effort for the East and Southern Africa Corridor Development Association should aim at prioritizing regional transport infrastructure projects and develop a regionally coherent Corridor development program; and

iv. In addition to infrastructure and facilitation programs, East and Southern Africa Corridor Development Association should address the issue of capacity building at national, sub regional and regional level.

Discussion

28. The meeting welcomed the conclusions and recommendations of the study and commended the UNECA/ATPC for funding the study. However, the following comments were raised:

i. It was observed that working group on trade facilitation and exchange of best practices already exist and that there was a need for a proposed PMAESA working group to be linked to these existing working groups in the region;

ii. Issues relating to funding of the working group need to be further explored, including the sustainability of the working group. The Consultant was asked to provide further details on how the working group would be financed after the initial funding period of donors as stipulated in the study. The consultant was also requested to indicate the timeframe for the initial funding of the working group which is expected to come from donors;

iii. The reporting mechanisms and coordination of the working group to be clear and in line with the work currently being undertaken by the ports, RECs, and Member States; and
iv. The functions of the working group to be clear and focused in order to avoid duplication of efforts and resources as a number of working groups as well as pan-African institutions such as the RECs are also working on the same issues.

IV. Recommendations and Conclusions

a) General Recommendations

i. Ports and Corridors to effectively implement previous decisions aimed at addressing the current barriers on trade facilitation;

ii. Effective coordination among all the key players (ports, corridors, private sectors, member States) in addressing issues relating to trade facilitation is critical;

iii. The need to build new railway lines with standard gauge in the East African region was commended. However, this should take into consideration that the region has developed cape gauge in some parts and these should not compete with each other, but rather supplement each other;

iv. Future analysis on ports and corridors should take into consideration all the variables that contribute to the high transport costs. Research institutions such as ECA should continue to support the existing ports and corridors initiatives in the region;

v. In addition to addressing the bottlenecks to trade facilitation, African countries should also address the supply constraints in order to increase productivity;

vi. The need to use corridor performance indicators in analysing is vital, as it will assist the users to reduce transportation costs. The development of a model framework by SSATP was underway and it was noted that Zambia has already developed indicators;

vii. The measure of contribution of corridors to the other sectors is critical in influencing the government’s involvement in corridor developments;

viii. Ports and corridors to work in close collaboration with the existing African Union Commission/African Development Bank/United Nations Economic Commission Joint Secretariat, which coordinate issues on regional integration, including infrastructure development in Africa;

ix. Women participation in activities and programmes of ports and corridors should be encouraged and supported by all. ATPC was called upon to support activities of the women who are the major key players in small-medium enterprises (SMEs); and
x. Corridors and ports to exchange key information such as Master Plans within the region in order to avoid duplication of efforts among them.

b) Recommendations on the Establishment of the PMAESA Working Group

i. Agreed to the proposal of establishing PMAESA working group to serve as an umbrella body that will coordinate the activities of the ports and corridors which will be called “East and Southern Africa Corridor Development Association”;

ii. Membership of the body to be drawn from the existing corridor groups that have management committees;

iii. Maputo Corridor selected to serve as an interim Chair of the Association for an initial period of two years and PMAESA to be the Secretariat;

iv. The Association should have its first meeting in February 2011 to define the objectives, functions, funding mechanism, structure of the Association and institutional design and the way forward; and

v. ECA and other donors were requested to continue supporting the activities and programmes of the ports and corridors, including the expected study on the legal framework of the PMAESA Working Group.