WORKSHOP ON IMPACT OF TRANSPORTATION NETWORKS ON TRADE AND TOURISM,
IZMIR, REPUBLIC OF TURKEY, 7-8 JUNE 2011.

International Transport Corridors and Best Practices.

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Transport & ICT Department
AfDB
Tunis
• AfDB's general approach to TCs
• A brief about AfDB supported TCs (mainly inland corridors)
• AfDB programs/activities in Transport Facilitation
• Cooperation possibilities between IDB & AfDB and other international/regional organizations
• Set of recommendations
15 out of 31 landlocked countries are in Africa
Missing links along the corridors (14% - 47% of the total)
Delays at border posts (ranging from 24 - 36 hours) and to cargo movement
Lengthy transit times
Pilferage and cargo loss
Poor cargo handling productivity
Few harmonized rules and procedures (cumbersome and not connected)
Inadequate safety and security
Poor cargo handling
Regional and International trade are central to economic growth and development.
CONSEQUENCES OF TRANSPORT PROBLEMS

❖ HIGH COSTS

- High freight rates
- High surface transport costs
- Demurrage payments
- Unnecessary wagon hire charges
- High port costs
- Unnecessary institutional costs

❖ INDIRECT CONSEQUENCES

- Extra costs on imports
- Uncompetitive industry
- Uncompetitive export products
Transport costs among the highest in the world
• Generally more expensive to ship from/to countries outside Africa
• Transport costs are higher for the 15 landlocked African countries
• averaging 14% of the value of exports compared with 8.6% for all developing countries - reaching in many countries, such as Malawi (56%), Chad (52%), and Rwanda (48%).

High cost premium on trade, travel and business
• → In 1994-2000, Africa’s multilateral trade averages 50.6% of GDP whereas trade within the continent is at 8.4% of GDP

Crippling effect on Africa’s trade competitiveness and its ability to participate in the world economy
• → Africa’s total trade represents only 2% of the world trade
## Comparison of Various Inland Rates per Km versus USA and Europe

<table>
<thead>
<tr>
<th>CURRENCY</th>
<th>BLACK SEA</th>
<th>INDIA</th>
<th>SAWC</th>
<th>SOUTH AFRICA</th>
<th>EAST AFRICA</th>
<th>WEST AFRICA</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>1.15</td>
<td>0.44</td>
<td>1.23</td>
<td>1.44</td>
<td>2.62</td>
<td>3.31</td>
</tr>
<tr>
<td>EURO</td>
<td>1.07</td>
<td>0.41</td>
<td>1.14</td>
<td>1.34</td>
<td>2.44</td>
<td>3.08</td>
</tr>
</tbody>
</table>

USA inland average cost is EURO 1 per Km (or USD 1.75 per mile)

EUROPE average cost is EURO 1.5 per Km
DIFFERENT SOLUTIONS TO THESE PROBLEMS

OR HOW TO IMPROVE THE FLOW OF CARGO

- To develop the infrastructure
  High cost

- To acquire more equipment
  High cost

- To improve the human resources
  Management
  Operations
  Maintenance

- ....

- To improve INFORMATION
  Very low cost
African countries have long recognized the link between regional/continental infrastructure on the one hand and, accelerated development in the other hand;

Several initiatives were launched to address the problem of infrastructure deficit to ensure the integration and development of the Continent most notably the NEPAD’s Short Term Action Plan;

Need effective regional infrastructure (transport, communications, energy and ICT) to widen, integrate markets and achieve economies of scale.
NEPAD aims at promoting regional integration and globalization.

Need effective regional infrastructure (transport, communications, energy and ICT) to widen, integrate markets and achieve economies of scale.

For the Transport, NEPAD aims to promote efficient and integrated transport system to facilitate international traffic and to foster trade.

Focus is put on the road since it is the dominant mode of transport (90%).
HIGHLIGHTS OF PLAN

Short-term plan has four common areas/themes for each sub-sector (energy, water, transport, and ICT)

- Facilitation
- Capacity Building
- Physical Projects
- Studies
Program for Infrastructure Development in Africa (PIDA) AS SUCCESSOR OF THE PLAN

PIDA (launched in May, 2010) to support delivery of the AU Abuja Treaty and the creation of the African Economic Community by facilitating regional integration in Africa through improved regional and continental infrastructures

- Strategic framework in 4 sectors (Energy, Transport, ICT and Transboundary water resource management);
- Infrastructure development programme
- Implementation strategy and processes (Soft & hard projects)
- End of study: November 2011
CORRIDOR CONCEPT

- Corridor concept is generally accepted in all the regions
- Typical Corridor Development Requires:
  - Physical Works Investment
    - ✔ Road Upgrading/Rehabilitation
    - ✔ Joint Border Post Control
    - ✔ Vehicle/Axle Load Control
    - ✔ Freight Tracking Systems
  - Facilitation
    - ✔ Functional Corridor Management Committees
    - ✔ Harmonized Vehicle/axle loads
    - ✔ Harmonized/Simplified Customs Procedures (Computerization – Interconnexion)
    - ✔ Harmonized transit charging
    - ✔ Free access to transport services market (Cargo sharing?)
    - ✔ Transport observatories
LES PROJETS D'INFRASTRUCTURE DU DSIR DÉCOULENT DU PLAN DIRECTEUR CONSENSUEL DES TRANSPORTS EN AFRIQUE CENTRALE (PDCT-AC)

II. STRATÉGIE DE LA BANQUE POUR LA CEEAC CORRIDORS ROUTIERS EN AFRIQUE
Corridors prioritaires - Priotary corridors
- Praticabilité bonne ou acceptable
- Manquent ou mauvais état
- Capital
- Autres villes
- Good or fair condition
- Missing links / Poor condition
- Capital
- Others cities
## Missing Links on Road Corridors

<table>
<thead>
<tr>
<th>REC</th>
<th>Corridor</th>
<th>Country Coverage</th>
<th>Length (km)</th>
<th>Est. Dev. Cost (UA million)</th>
<th>Study AVail.</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMESA</td>
<td>Nairobi - Cairo</td>
<td>Kenya / Ethiopia / Sudan / Egypt</td>
<td>900</td>
<td>500</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Dodoma - Kigali</td>
<td>Tanzania / Burundi / Rwanda</td>
<td>500</td>
<td>400</td>
<td>N</td>
</tr>
<tr>
<td>SADC</td>
<td>Lobito - Beira</td>
<td>Angola / Zambia / Zimbabwe / Mozambique</td>
<td>1770</td>
<td>945</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>North-South *</td>
<td>South Africa / Botswana / Zambia</td>
<td>2</td>
<td>60</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Trans - Kunene</td>
<td>Namibia / Angola</td>
<td>980</td>
<td>370</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Nacala</td>
<td>Mozambique / Malawi / Zambia</td>
<td>890</td>
<td>450</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Mtwara</td>
<td>Mozambique / Tanzania</td>
<td>810</td>
<td>450</td>
<td>N</td>
</tr>
<tr>
<td>CEMAC</td>
<td>Cameroon - CAR - DRC</td>
<td>Cameroon / CAR / DRC</td>
<td>4070</td>
<td>1995</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Cameroon - DRC</td>
<td>Cameroon / DRC</td>
<td>960</td>
<td>530</td>
<td>N</td>
</tr>
<tr>
<td>ECOWAS</td>
<td>Dakar - Lagos</td>
<td>Senegal / Gambia / Guinea / Guinea B. / S. Leone / Cte Ivoire / Ghana / Togo / Benin / Nigeria</td>
<td>2150</td>
<td>845</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Alger - Lagos</td>
<td>Niger</td>
<td>400</td>
<td>200</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>Dakar - Ndjamenya</td>
<td>Senegal / Mali / B, Faso / Niger / Nigeria / Chad</td>
<td>230</td>
<td>90</td>
<td>N</td>
</tr>
</tbody>
</table>

**Grand Total**

|                  |                   |                   | 12762       | 6335                        |              |

Kazungura Bridge

1 UA = 1,50 US$
**PRIORITY CORRIDORS**

<table>
<thead>
<tr>
<th>CORRIDOR</th>
<th>COUNTRY COVERAGE</th>
<th>LENGTH (km)</th>
<th>Est. DEV. COST (UA million)</th>
<th>STUDY AVAILABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lobito-Beira</td>
<td>Angola/Zambia/ Zimbabwe/ Mozambique</td>
<td>1770</td>
<td>945</td>
<td>N</td>
</tr>
<tr>
<td>North-South *</td>
<td>South Africa /Botswana/ Zambia</td>
<td>2</td>
<td>60</td>
<td>Y</td>
</tr>
<tr>
<td>Cameroon-DRC</td>
<td>Cameroon / DRC</td>
<td>960</td>
<td>530</td>
<td>N</td>
</tr>
<tr>
<td>Dakar-Lagos</td>
<td>Senegal / Gambia / Guinea / Guinea B. / S. Leone / Cte Ivoire / Ghana / Togo / Benin / Nigeria</td>
<td>2150</td>
<td>845</td>
<td>N</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>4882</strong></td>
<td><strong>2380</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Kazungura Bridge

1 UA = 1,50 US$
Regional ADF Envelope

- Countries PBA portion: 1/3
- RO envelope portion: 2/3
- Projects are prioritized based on the information provided, particularly with regards to expected development impact and project readiness (Impact on trade, Access to market; Synergies with other sectors (corridors development) - Appropriation by RECs (Subsidiarité) – Paris Declaration (Executing capacity at national level)
- NEPAD Infrastructure Project Preparation Facility (Trust Fund)
- ONRI (Dpt for Regional Integration)
Infrastructure: an overview

- Includes 3 sectors: transportation, communications, and energy and power supply
- Accounts for about 28% of the Bank’s cumulative approvals since 1967
- Taking into account commitments in support of water supply and sanitation, social/agricultural infrastructure, Bank’s resources invested in infrastructure rises to about 40%

The Bank is an important player in infrastructure development in Africa
• Infrastructure’s position in the Bank reflects 3 stages:

  • **Stage 1 (1967 -1999)**: Infrastructure occupied a dominant place - 29% of Bank approvals.

  • **Stage 2 (2000 - 2003)**: Since the adoption of the new Vision of the Bank in 1999, there has been a sizeable reduction in Infrastructure’s share of Bank’s approvals. Approvals towards infrastructure dipped to 14.9% in 2000, before recovering somewhat in the next two years to 25%.

  • **Stage 3 (2004- XX)**: Infrastructure has become a top operational priority of the Bank. It represents about 30% of the approvals.

  • Transport operations, which have received the largest share, are concentrated in the road-sub-sector.

  • Investments in Energy sector is on the rise
• Strong focus on multinational operations, especially during ADF XII lending cycle.

• Distribution of approvals under the multinational allocation reflects the trend of the demand for regional integration financing that the Fund has been receiving recently.
• Most multinational projects are in the area of Transport. Regional road corridors have also been given particular attention, in line with NEPAD strategic orientation.

• 2002-2007 Multinational projects total:
  • Transport: UA 494.18 million (85.3%)
  • Energy: UA 83.37 million (14.4%)
## AfDB / CO-FINANCING

<table>
<thead>
<tr>
<th>CORRIDOR</th>
<th>SECTION</th>
<th>COUNTRY</th>
<th>LENGTH (km)</th>
<th>AFDB</th>
<th>CO-FI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunduma-Moyaale</td>
<td>Arusha-Ngo-Athi River</td>
<td>Kenya/ Tanzania</td>
<td>240</td>
<td>49.77</td>
<td>45.23</td>
<td>95</td>
</tr>
<tr>
<td>Central</td>
<td>Kicukiro-Kirundo</td>
<td>Rwanda/ Burundi</td>
<td>97</td>
<td>30.2</td>
<td>18.82</td>
<td>49.02</td>
</tr>
<tr>
<td>Northern</td>
<td>Mombasa-Kampala</td>
<td>East African Region</td>
<td>9.2</td>
<td>185.5</td>
<td>194.7</td>
<td></td>
</tr>
<tr>
<td>Mali-Guinea</td>
<td>Kankan-Bamako</td>
<td>Guinea/Mali</td>
<td>344</td>
<td>24</td>
<td>77.58</td>
<td>101.58</td>
</tr>
<tr>
<td>Ghana-Ouagoudougou-Bamako</td>
<td>Accra-Ouagadougou</td>
<td>Ghana/ B. Faso/Mali</td>
<td>1050</td>
<td>67</td>
<td>115.39</td>
<td>182.39</td>
</tr>
<tr>
<td>Dakar-Bamako (South)</td>
<td>Bamako-Saraya-Dakar</td>
<td>Mali/ Senegal</td>
<td>780</td>
<td>66.06</td>
<td>134.74</td>
<td>200.8</td>
</tr>
<tr>
<td>Bukina Faso-Niger</td>
<td>Dori-Tera</td>
<td>B. Faso/Niger</td>
<td>91</td>
<td>27.82</td>
<td>3.23</td>
<td>31.05</td>
</tr>
<tr>
<td>Cameroun - RCA-Chad</td>
<td>Douala-Bangui/Douala-</td>
<td>Cameroun/RCA/Chad</td>
<td>1400</td>
<td>110</td>
<td>336</td>
<td>446</td>
</tr>
<tr>
<td>Guinea-Senegal</td>
<td>Labe-Tambacoumba</td>
<td>Guinea/ Senegal</td>
<td>474</td>
<td>56.4</td>
<td>91.2</td>
<td>147.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>4476</strong></td>
<td><strong>440.45</strong></td>
<td><strong>1007.69</strong></td>
<td><strong>1448.14</strong></td>
</tr>
</tbody>
</table>

1 UA = 1.51 US $
2011 is the first year of the ADF-XII cycle.

Work program is constrained by financing the insufficient lending capacity

Pipeline projects with gaps due to insufficient financial resources:

Need for co-financing
<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Project title</th>
<th>Total cost in MUA</th>
<th>Bank’s contribution</th>
<th>Other donors</th>
<th>Gap</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guniea-Guniea Bissau</td>
<td>Boke-Quebo Road</td>
<td>85</td>
<td>60</td>
<td>TBD</td>
<td>25</td>
<td>Appraisal 2012 2012-2016</td>
</tr>
<tr>
<td>Senegal-Gambia</td>
<td>Kaolack-Bridge on Gambia</td>
<td>120</td>
<td>90</td>
<td>TBD</td>
<td>30</td>
<td>Appraisal 2011 2012-2016</td>
</tr>
<tr>
<td>Cameroon-Equatorial Guinea</td>
<td>Kribi-Campo-Bata Road</td>
<td>110</td>
<td>80</td>
<td>TBD</td>
<td>30</td>
<td>Studies on-going 2013-2016</td>
</tr>
<tr>
<td>Gabon-Congo</td>
<td>Doussala-Dolisie Road</td>
<td>140</td>
<td>105</td>
<td>TBD</td>
<td>35</td>
<td>Studies/IPPF 2012-2015</td>
</tr>
<tr>
<td>Burundi-Rwanda-Tanzania</td>
<td>Issaka-Kigali Railways</td>
<td>2,250</td>
<td>138.76</td>
<td>TBD</td>
<td>2,381.24</td>
<td>Studies to be completed in 2012</td>
</tr>
<tr>
<td>Cameroon-Congo</td>
<td>Ouesso-Sangmelima Road/phase 2</td>
<td>160</td>
<td>80</td>
<td>TBD</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>Congo-DRC</td>
<td>Bridge over Congo River</td>
<td>200</td>
<td>100</td>
<td>TBD</td>
<td>100</td>
<td>Studies to start in July 2011/18 months - RT</td>
</tr>
<tr>
<td>Malawi-Mozambique</td>
<td>Nacala Corridor Phase 3</td>
<td>220</td>
<td>200</td>
<td>TBD</td>
<td>20</td>
<td>Studies on-going</td>
</tr>
</tbody>
</table>
Site of the project – Cameroon/Congo
Project site – Congo River Bridge

CEEAC - Localisation du projet de pont sur le fleuve Congo

CEMAC - Bridge over Congo river: site of the project
• The principal activities of the Cooperation Unit are to promote and coordinate non-statutory cooperation relations and strategic partnerships with bilateral aid agencies, multilateral development institutions, African organizations and institutions and other aid agencies.
MOU with IDB

Signed on 21th Dec., 2010.

• To promote co-financing in the coming 3 years

• Infrastructure (transport, W & S, Rural Dev. , Food sec. ; Social sector. ; Education, Science…)

• Activities (Regional integration, PPP, Capacity building, development knowledge, ESW, Information…)}
Implementation focus and knowledge production

On the three main areas: **infrastructure, procedures, services**

- RECs capacity building for a better appropriation or multinational projects (Coordinating capacity to be enhanced);

- Boost coordination with other partners

- Project prioritization for better development outcomes…

**A lot of collective effort has to be done to identify best practices and tools, formalize them in international agreements and implement them in the “technical areas”: border management, corridors and transit, computerized information systems, ports & customs, single windows…**
THANK YOU FOR YOUR KIND ATTENTION