



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

International Transport Corridors and Best Practices.

Augustin Karanga
Principal transport economist
Transport & ICT Department
AfDB
Tunis

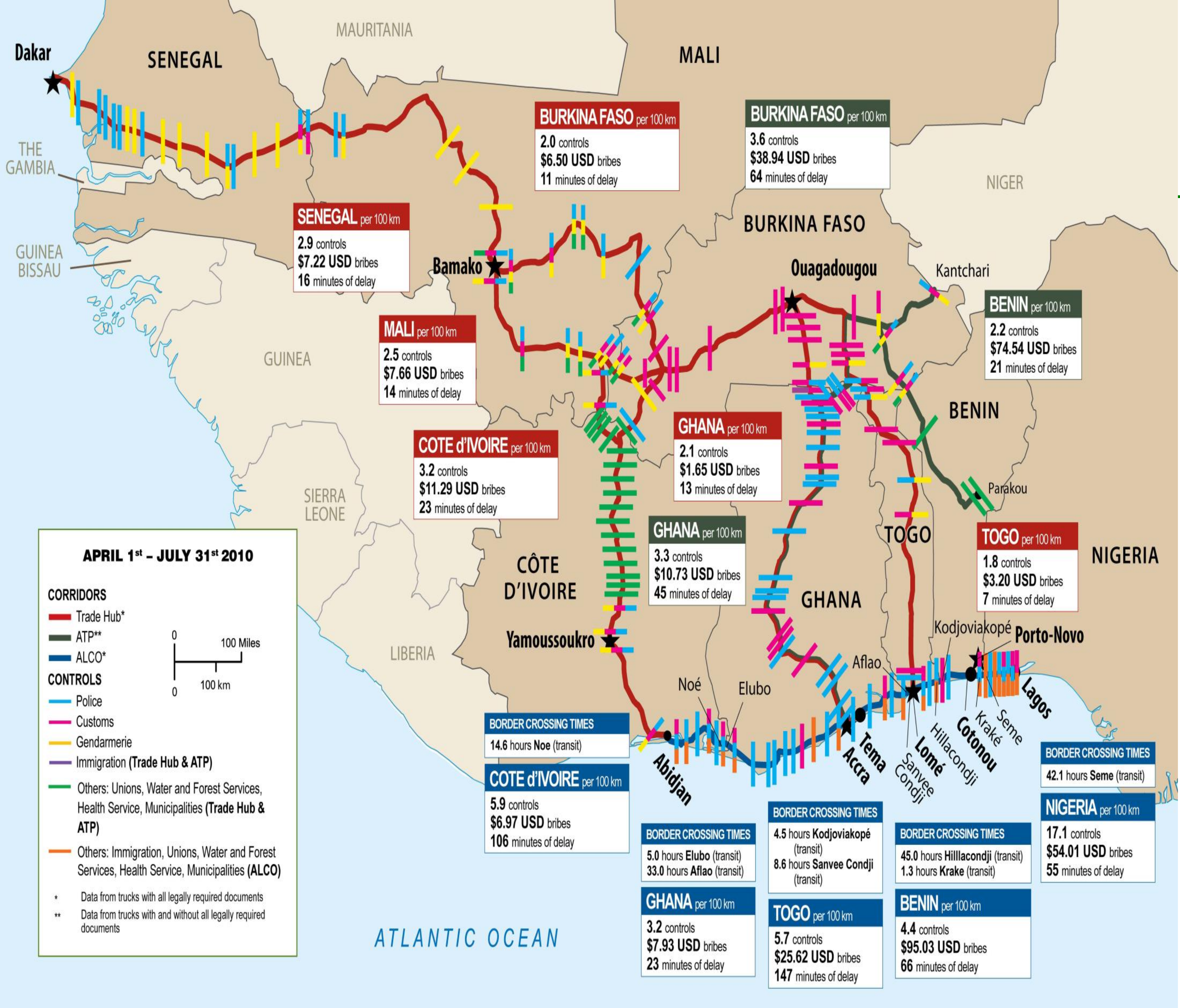


- AfDB's general approach to TCs
- A brief about AfDB supported TCs (mainly inland corridors)
- AfDB programs/activities in Transport Facilitation
- Cooperation possibilities between IDB & AfDB and other international/regional organizations
- Set of recommendations



MAJOR TRANSPORT BOTTLENECKS

- 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

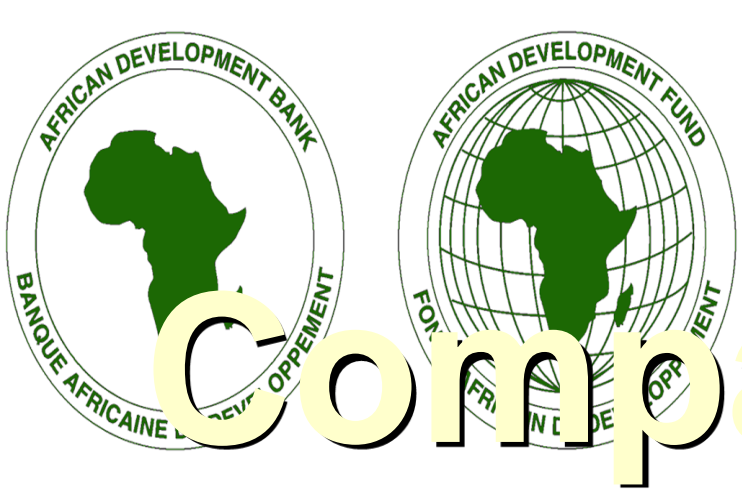


CONSTRAINTS TO GLOBAL AND CONTINENTAL INTER TRADE

- 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

CURRENCY	BLACK SEA	INDIA	SAWC	SOUTH AFRICA	EAST AFRICA	WEST AFRICA
USD	1.15	0.44	1.23	1.44	2.62	3.31
EURO	1.07	0.41	1.14	1.34	2.44	3.08

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

low cost

Very



STRATEGIC OUTLOOK

- 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.



STRATEGIC OUTLOOK

- 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

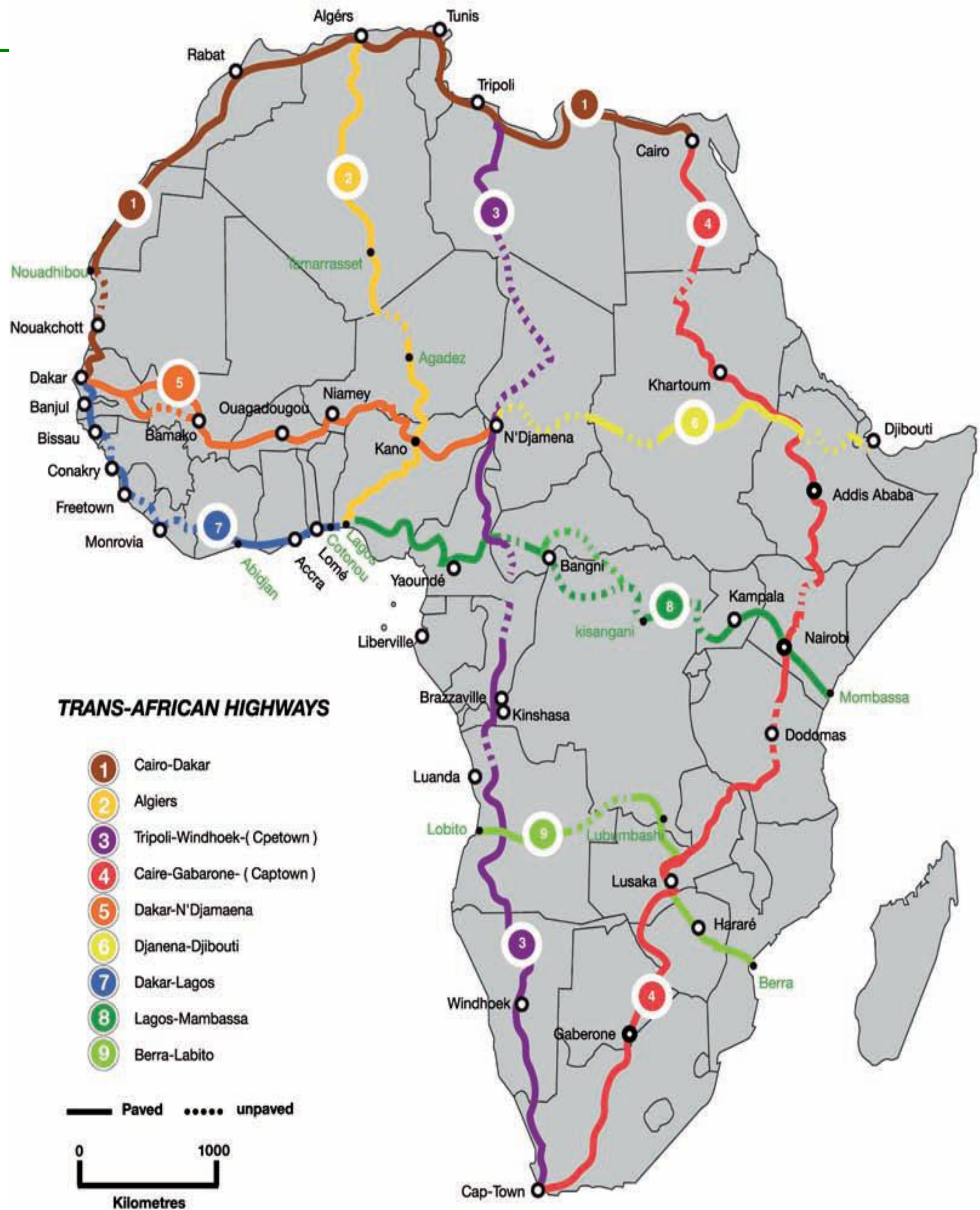
PIDA (launched in May, 2010) to support delivery of the AU Abuja Treaty and the creation of the African Economic Community by facilitating regional integration in Africa through improved regional and continental infrastructures

- Strategic framework in 4 sectors (Energy, Transport, ICT and Transboundary water resource managementt ;**
- 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





Corridors prioritaires		Priortary corridors	
Praticabilité bonne ou acceptable		Good or fair condition	
Manquant ou mauvais etat		Missing links \ Poor condition	
Capitale		Capital	
Autres Villes		Others cities	





MISSING LINKS ON ROAD CORRIDORS

REC	CORRIDOR	COUNTRY COVERAGE	LENGTH (km)	Est. DEV. COST (UA million)	STUDY AVAIL.
COMESA	Nairobi -Cairo	Kenya/ Ethiopia/Sudan/Egypt	900	500	N
	Dodoma-Kigali	Tanzania/Burindi/Rwanda	500	400	N
SADC	Lobito-Beira	Angola/Zambia/ Zimbabwe/ Mozambique	1 770	945	N
	North-South *	South Africa /Botswana/ Zambia	2	60	Y
	Trans-Kunene	Namibia/ Angola	980	370	N
	Nacala	Mozambique/ Malawi/ Zambia	890	450	Y
	Mtwara	Mozambique/ Tanzania	810	450	N
CEMAC	Cameroon-CAR-DRC	Cameroon/ CAR/ DRC	4 070	1 995	N
	Cameroon-DRC	Cameroon/ DRC	960	530	N
ECOWAS	Dakar-Lagos	Senegal /Gambia /Guinea /Guinea B. /S. Leone / Cte Ivoire /Ghana /Togo /Benin /Nigeria	2 150	845	N
	Alger-Lagos	Niger	400	200	N
	Dakar-Ndjamena	Seengal /Mali /B, Faso /Niger /Nigeria/ Tchad	230	90	N
GRAND TOTAL			12 762	6 335	

Kazungura Bridge

1 UA= 1,50 US\$

BAD : PRINCIPAUX CORRIDORS ROUTIERS FINANCES OU COFINANCES



AfDB : FINANCED / COFINANCED MAIN ROAD CORRIDORS



- | | | |
|-----------------------------------|--|--------------------------------|
| Financé \ cofinancé par BAD | | Finance \ cofinance AfDB |
| Praticabilité bonne ou acceptable | | Good or fair condition |
| Manquant ou mauvais état | | Missing links \ Poor condition |
| Capitale | | Capital |
| Autres Villes | | Others cities |



PRIORITY CORRIDORS

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

* Kazungura Bridge

1 UA= 1,50 US\$



Regional ADF Envelope

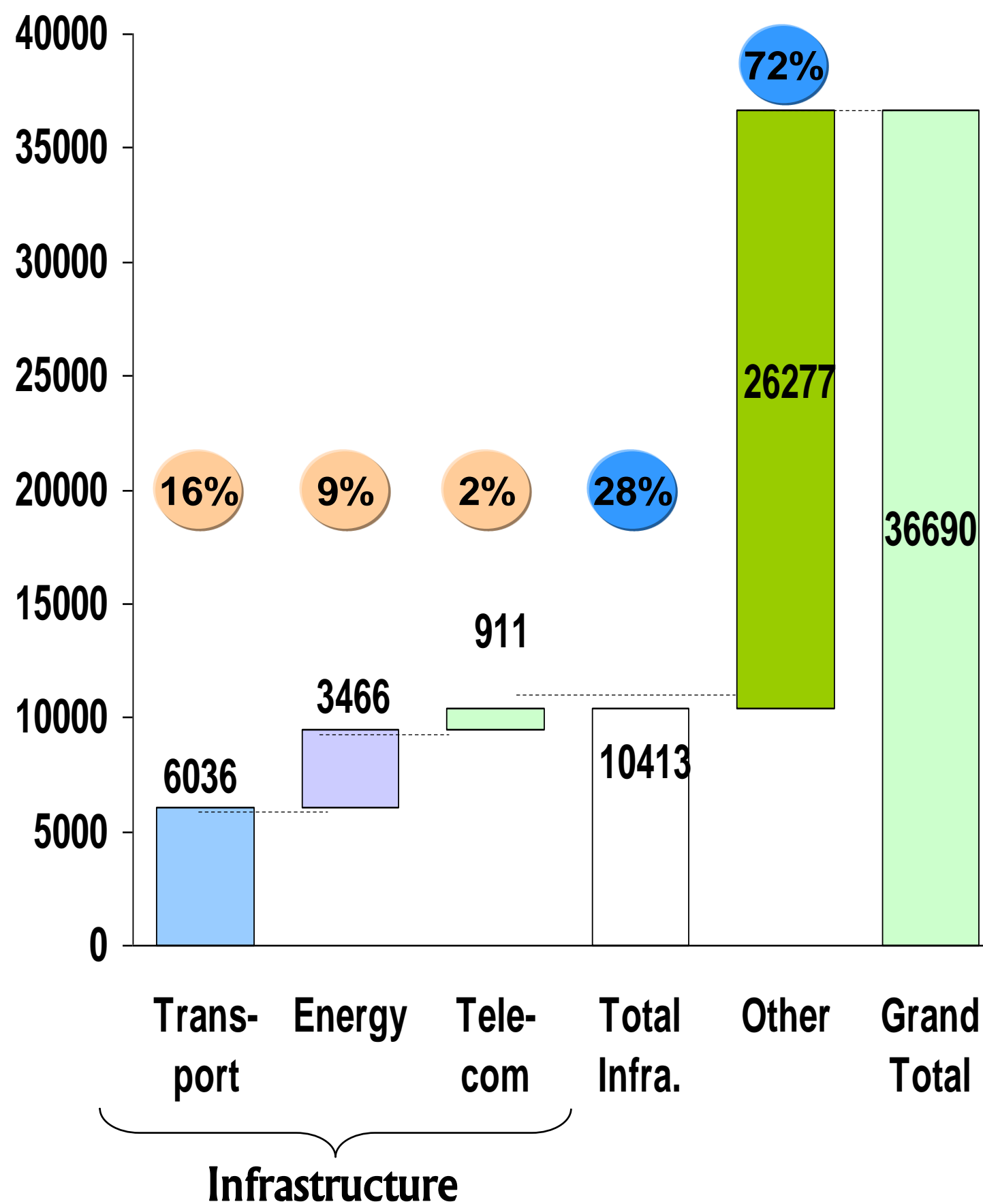
- Countries PBA portion : 1/3
- RO envelope portion : 2/3
- Projects are prioritized based on the information provided, particularly with regards to expected development impact and project readiness (Impact on trade, Access to market ; Synergies with other sectors (corridors development) - Appropriation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



ADB AND INFRASTRUCTURE DEVELOPMENT

1967 – 2005 Bank Group operations

UA million



Infrastructure: an overview

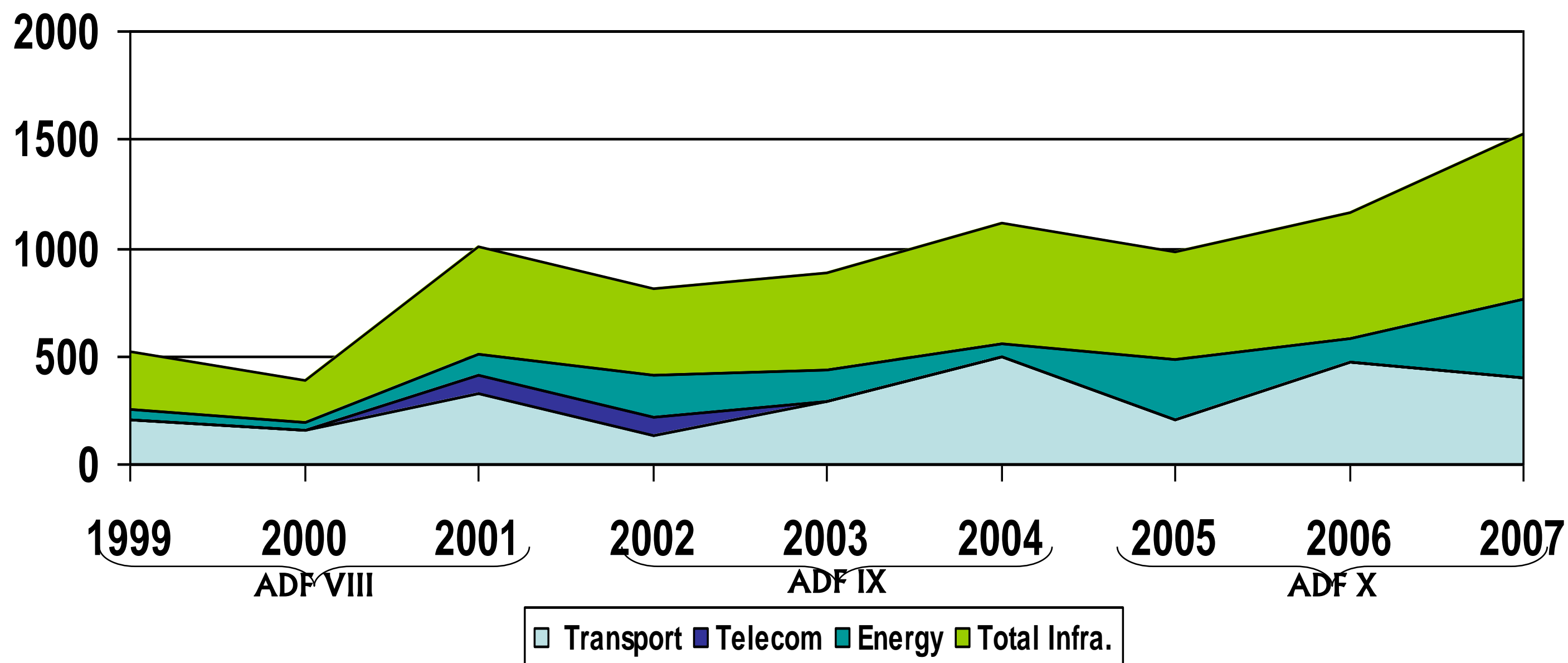
- Includes 3 sectors: transportation, communications, and energy and power supply
- Accounts for about 28% of the Bank's cumulative approvals since 1967
- Taking into account commitments in support of water supply and sanitation, social/agricultural infrastructure, Bank's resources invested in infrastructure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

The Bank is an important player in infrastructure development In Africa



TRENDS IN INFRASTRUCTURE DEVELOPMENT

UA Million



• 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.

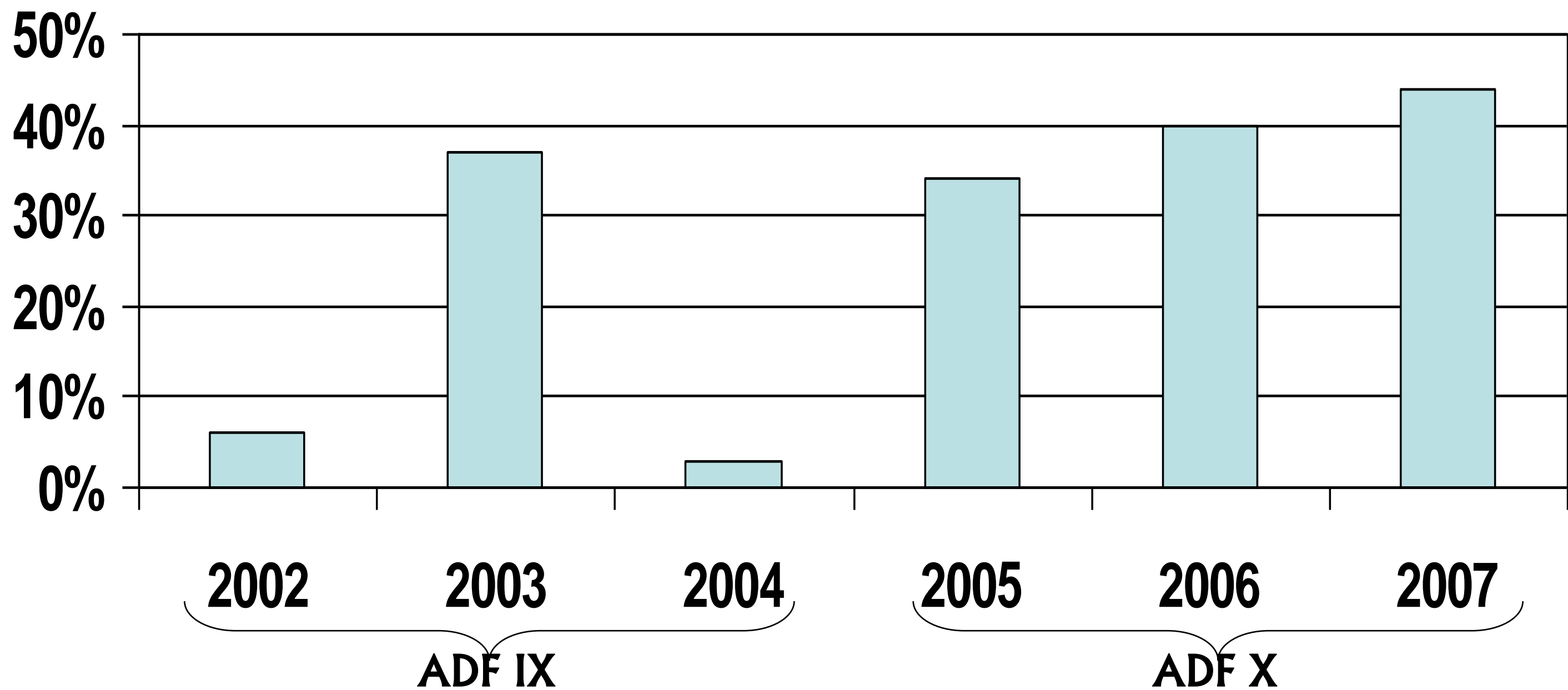
• Transport operations, which have received the largest share, are concentrated in the road-sub-sector.

• Investments in Energy sector is on the rise



MULTINATIONAL OPERATIONS (ADF) IN INFRASTRUCTURE

Share of ADF multinational projects in Infrastructure approvals

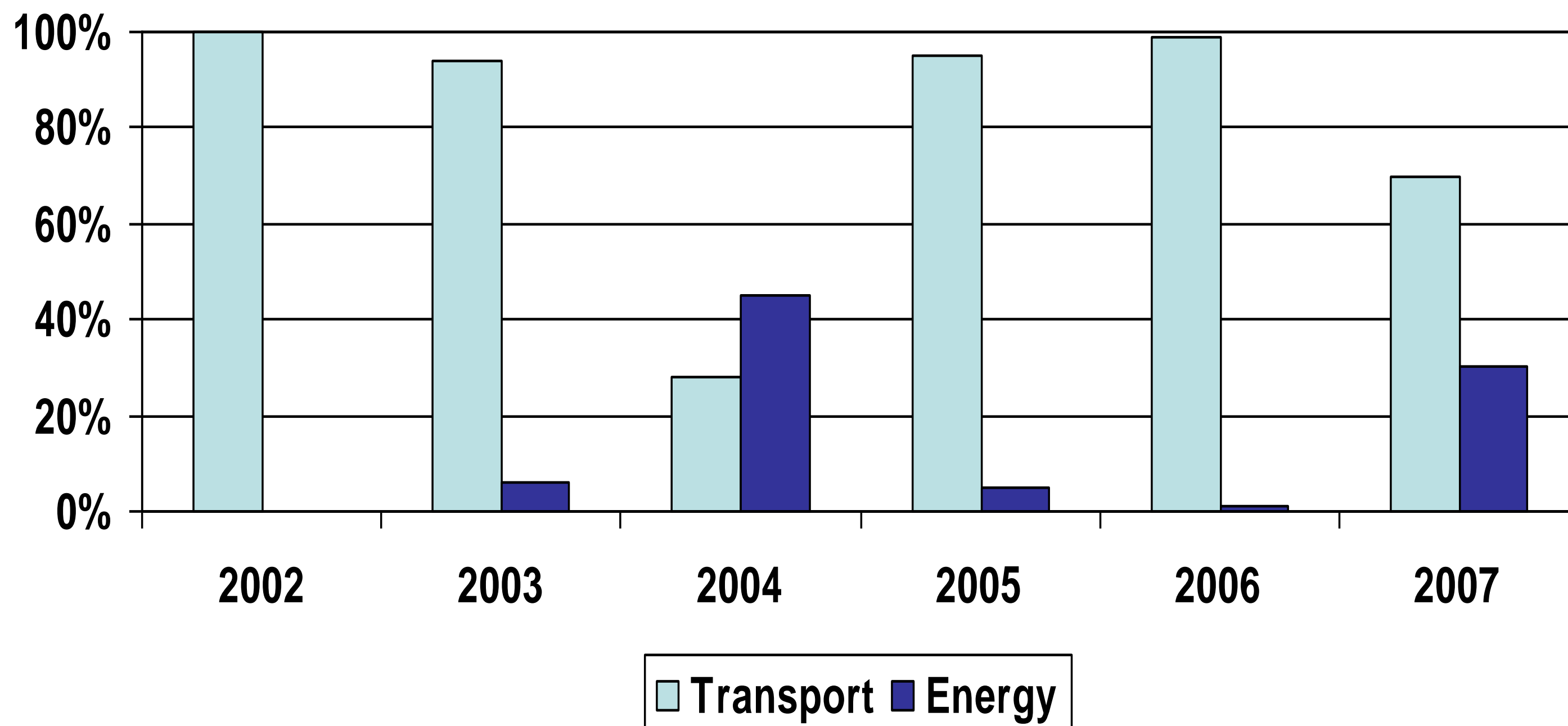


- Strong focus on multinational operations, especially during ADF XII lending cycle.
- Distribution of approvals under the multinational allocation reflects the trend of the demand for regional integration financing that the Fund has been receiving recently.



MULTINATIONAL OPERATIONS (ADF) IN THE INFRASTRUCTURE SECTOR

Breakdown of ADF multinational projects by Infrastructure Sector



- 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

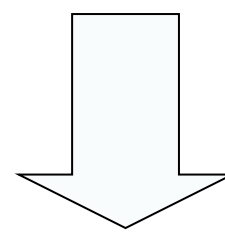
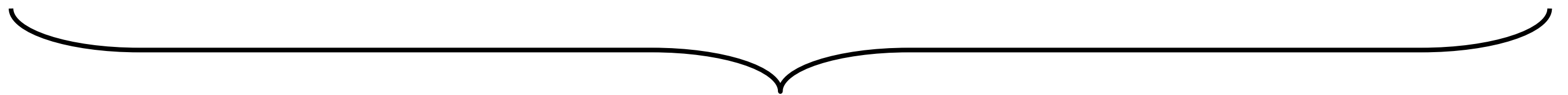
CORRIDOR	SECTION	COUNTRY	LENGTH (km)	AMOUNT (UA million)		
				AfDB	CO-FI.	TOTAL
Tunduma-Moyaale	Arusha-Nga-Athi River	Kenya/ Tanzania	240	49,77	45,23	95
Central	Kicukiro-Kirundo	Rwanda/ Burundi	97	30,2	18,82	49,02
Northern	Mombasa-Kampala	East African Region		9,2	185,5	194,7
Mali-Guinea	Kankan-Bamako	Guinea/Mali	344	24	77,58	101,58
Ghana-Ouagoudougou-Bamako	Accra-Ouagadougou	Ghana/ B. Faso/Mali	1050	67	115,39	182,39
Dakar-Bamako (South)	Bamako-Saraya-Dakar	Mali/ Senegal	780	66,06	134,74	200,8
Bukina Faso-Niger	Dori-Tera	B. Faso/Niger	91	27,82	3,23	31,05
Cameroun -RCA-Chad	Douala-Bangui/Douala-Djamenah	Cameroun/RCA/Chad	1400	110	336	446
Guinea-Senegal	Labe-Tambacounba	Guinea/ Senegal	474	56,4	91,2	147,6
TOTAL			4476	440,45	1007,69	1448,14

1 UA=1,51 US \$



2011-2013 MULTINATIONAL WORK PROGRAM

- 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

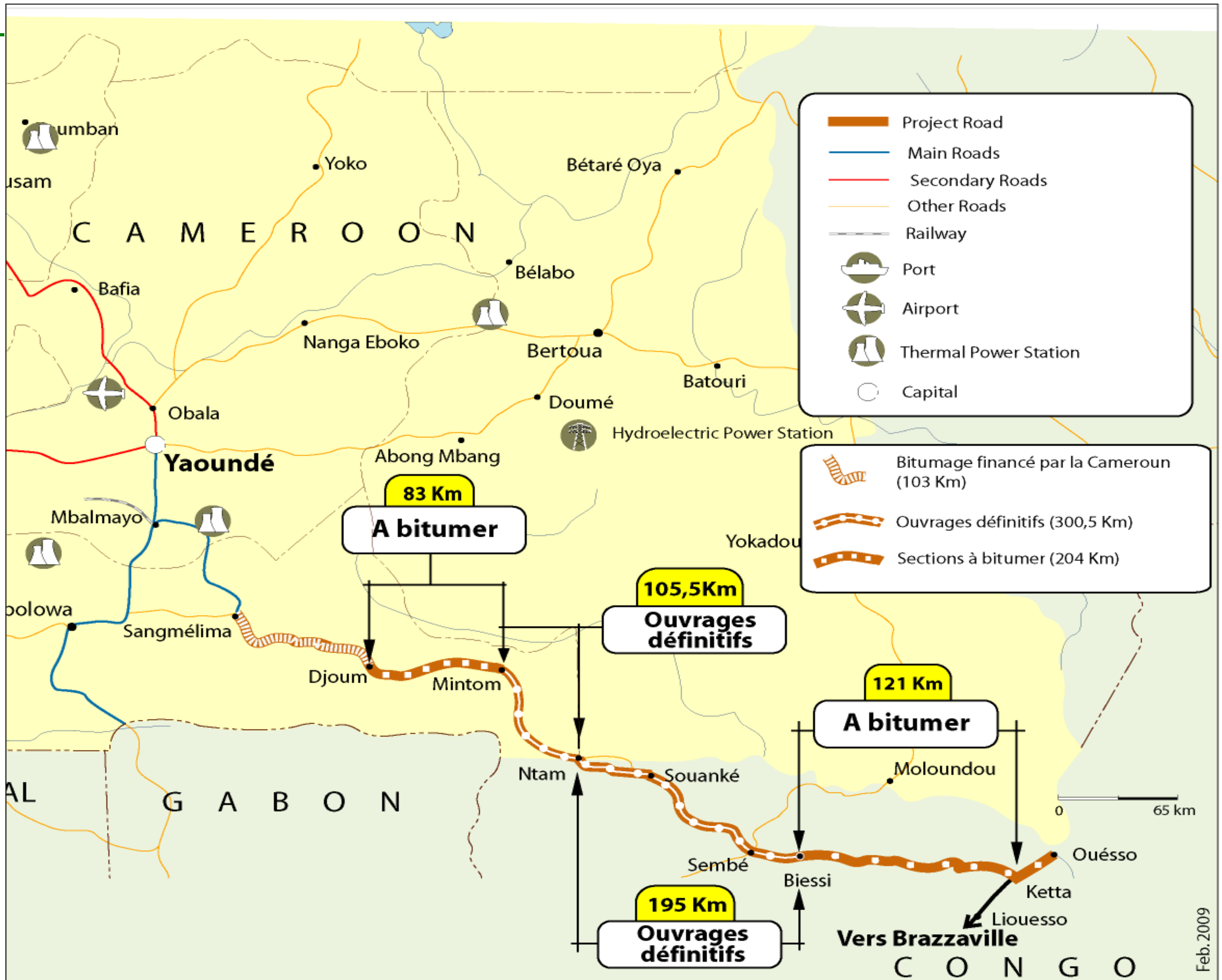


PARTNERSHIP & COOPERATION OPPORTUNITIES - CORRIDORS

Beneficiaries	Project title	Total cost in MUA	Bank's contribution	Other donors	Gap	Status
Guinea-Guinea Bissau	Boke-Quebo Road	85	60	TBD	25	Appraisal 2012 2012-2016
Senegal-Gambia	Kaolack-Bridge on Gambia	120	90	TBD	30	Appraisal 2011 2012-2016
Cameroon-Equatorial Guinea	Kribi-Campo-Bata Road	110	80	TBD	30	Studies on-going 2013-2016
Gabon-Congo	Doussala-Dolisie Road	140	105	TBD	35	Studies/IPPF 2012-2015
Burundi-Rwanda-Tanzania	Issaka-Kigali Railways	2,250	138.76	TBD	2,381.24	Studies to be completed in 2012
Cameroon-Congo	Ouessou-Sangmelima Road/phase 2	160	80	TBD	80	
Congo-DRC	Bridge over Congo River	200	100	TBD	100	Studies to start in July 2011/18 months - RT
Malawi-Mozambique	Nacala Corridor Phase 3	220	200	TBD	20	Studies on-going



Site of the project – Cameroon/Congo



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Project site –Congo River Bridge

CEEAC - Localisation du projet de pont sur le fleuve Congo

CEMAC - Bridge over Congo river : site of the project





COOPERATION UNIT

- 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***